UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORT
PURSUANT TO SECTIONS 13 OR 15 (d) OF THE
SECURITIES AND EXCHANGE ACT OF 1934

(Mark One)
|X| ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2000

OR

|_| TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number: 0-24249

PROFESSIONAL DETAILING, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	22-2919486
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

10 Mountainview Road
Upper Saddle River, NJ 07458-1937
(Address of Principal Executive Offices)

Registrant's telephone number, including area code: (201) 258-8450

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to section 12(g) of the Act:

Common Stock, $.01 par value
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes |X| No |_|

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. |X|

The aggregate market value of the voting stock held by non-affiliates of the registrant as of March 23, 2001 was approximately $383,275,000.

The number of shares outstanding of the registrant's common stock, $.01 par value, as of March 23, 2001 was 13,860,223 shares.

DOCUMENTS INCORPORATED BY REFERENCE

NONE

PROFESSIONAL DETAILING, INC.

Form 10-K Annual Report

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FORWARD LOOKING STATEMENT INFORMATION

Various statements made in this Annual Report on Form 10-K are "forward-looking statements" (within the meaning of the Private Securities Litigation Reform Act of 1995) regarding the plans and objectives of management for future operations. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. The forward-looking statements included in this report are based on current expectations that involve numerous risks and uncertainties. Our plans and objectives are based, in part, on assumptions involving judgments about, among other things, 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 our control. Although we believe that our assumptions underlying the forward-looking statements are reasonable, any of these assumptions could prove inaccurate and, therefore, we cannot assure you that the forward-looking statements included in this report will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included in this report, the inclusion of these statements should not be interpreted by anyone that we can achieve our objectives or implement our plans. Factors that could cause actual results to differ materially from those expressed or implied by forward-looking statements include, but are not limited to, the factors set forth under the headings "Business," "Certain Factors That May Affect Future Growth," and Management's Discussion and Analysis of Financial Condition and Results of Operations."

PART I

ITEM 1. BUSINESS

Description of business

We are a leading provider of sales and marketing services to the United States pharmaceutical industry. We have achieved our leadership position based on more than 13 years of designing and executing customized sales and marketing programs for many of the pharmaceutical industry's largest companies, including Abbott, Allergan, Astra-Zeneca, Bayer, GlaxoSmithKline, Novartis, Pfizer,

Pharmacia, Procter & Gamble, Schering Plough, and Hofmann LaRoche. We have designed and implemented sales and marketing programs that promote, and have conducted marketing research for, more than 100 products, including some of the leading prescription medications.

Within our three operating segments we provide the following services:

- dedicated contract sales services, in which detailing programs are customized to client specifications;

- syndicated contract sales services, provided through our ProtoCall unit, enabling clients to tap into an existing, large-scale sales team for specific detail positions and periods;

- LifeCycle X-Tension(TM) services, providing sales, marketing and distribution services for companies facing portfolio optimization challenges;

- LifeCycle Launch(TM) services, providing commercial launch services for emerging and biotechnology companies to independently launch new brands;

- marketing research and consulting services, provided through our TVG unit, enabling clients to study qualitative and quantitative aspects of brand performance on a pre-launch, launch and continuing basis; and

- medical education and communication services, provided through TVG, through which clients can access continuing medical education, Sales Force Tactical Briefings(TM) and peer-to-peer promotion.

Contract sales

Our clients engage us on a contractual basis to design and implement product detailing programs for both prescription and over-the-counter (OTC) pharmaceutical products. Product detailing involves meeting face-to-face with targeted prescribers and other healthcare decision-makers to provide a technical review of the product being promoted. Contract sales organizations (CSOs) have evolved from providing part-time detailing support for OTC products into turn-key commercialization partners handling some of the leading prescription pharmaceutical compounds. Since the early 1990s, the United States pharmaceutical industry has increasingly used CSOs to provide detailing services to introduce new products and supplement existing sales efforts.

Our product detailing programs typically include three phases: design, execution and assessment. In the program design phase, we work with the client to understand needs, define objectives, select targets and determine appropriate staffing. Program execution involves recruiting, hiring, training and managing a sales force, which performs detail calls promoting the particular client's pharmaceutical products. Assessment, the last phase of the program, involves measurement of sales force performance and program success relative to the goals and objectives outlined in the program design phase.

A dedicated contract sales program typically involves designing and deploying a fully integrated sales force customized to the client's particular needs. A dedicated sales force details one to three products of a single client during a call.

Through our ProtoCall subsidiary, the leading provider of syndicated detailing programs to the United States pharmaceutical industry, we also provide syndicated contract sales programs. A syndicated sales program utilizes a team of highly qualified sales representatives to promote non-competing products of multiple manufacturers. Because the costs associated with a syndicated sales force are shared among the various manufacturers, these programs may be less expensive than programs involving a dedicated sales force. In addition, since the sales force is already deployed, the detailing program can be launched even more quickly than a program using a dedicated sales force.

Product sales and distribution

In June 2000, we formed LifeCycle Ventures, Inc. (LCV) to compete more fully for pharmaceutical commercialization opportunities. LCV undertakes performance-based sales, marketing and distribution assignments, taking over completely, or in cooperation with the client, the sales, marketing and distribution function of brands. This service has a broad target customer base, including all tiers of the pharmaceutical and biotechnology sectors. Over the next several years, we expect this new service offering to be an important contributor to our growth.

Through LCV, we offer pharmaceutical and biotechnology manufacturers a new approach towards optimizing their portfolios. This approach may be more beneficial to us and our clients than traditional alternatives, such as out-licensing or selling these brands. Through LCV, we couple our sales and marketing expertise with creative financial strategies to maximize brand profitability. LCV draws on our expertise in sales, product marketing, brand management and managed care and trade relations to maximize the sales and profit potential of brands by funding and managing their commercialization in return for a fee or a percentage of the product sales. LCV's services are appropriate for brands at all stages of their lifecycle; from mature brands, through LCV's LifeCycle X-Tension group, to emerging brands, through LCV's LifeCycle Launch group.

Our LifeCycle X-Tension strategy is to seek opportunities with established branded pharmaceutical products and to increase their sales by executing focused marketing and promotion. In doing so, we seek to extend the product's life cycle beyond the period a pharmaceutical firm typically expects profitable growth. Cost containment initiatives and consolidation among large, global pharmaceutical companies have created substantial opportunities for us to provide commercialization services for established branded pharmaceutical products that:

- have remaining patent life;
- can benefit from focused sales, marketing and brand management services including detailing, sampling, advertising and direct mail; or
- complement our existing product lines.

In October 2000, LCV signed a five-year agreement with GlaxoSmithKline for the exclusive United States marketing, sales and distribution rights for Ceftin(R) Tablets and Ceftin(R) for Oral Suspension (cefuroxime axetil), two dosage forms of a cephalosporin antibiotic. Ceftin, which is indicated for acute bacterial respiratory infections such as acute sinusitis, bronchitis and otitis media, generated over $332 million in United States sales in 1999. Ceftin is the top selling oral cephalosporin in the United States and in the world. In July 2000, Ceftin was recommended by the Sinus and Allergy Health Partnership as first-line treatment for acute bacterial rhinosinusitis. In January 1999, the Centers for Disease Control and Prevention issued guidelines recommending Ceftin as one of only two oral antibiotics as second-line treatment of acute bacterial otitis media. GlaxoSmithKline retains some regulatory responsibilities for Ceftin and ownership of all intellectual property relevant to Ceftin and will continue to manufacture the product.

Our LifeCycle Launch strategy is to partner with pharmaceutical and biotechnology companies that either do not have the resources to commercialize and launch a new product or would rather allocate their resources to other products in their portfolio. LifeCycle Launch intends to work with products beginning two years prior to launch through the entire commercialization period. In November 2000, we signed a five-year agreement with United Therapeutics Corporation under which we will provide a broad range of pre-launch and launch commercialization services for Beraprost(TM), a compound under development for peripheral vascular disease.

Marketing services

Through TVG, we provide marketing research and consulting services, as well as medical education and communication services, to the pharmaceutical and biotechnology industries. These services can be utilized on a stand alone basis or in support of our commercialization services. Our marketing research and consulting services enable clients to study qualitative and quantitative aspects of brand performance on a pre-launch, launch and continuing basis. Through our medical education and communication services, clients can access continuing

medical education, Sales Force Tactical Briefings(TM) and peer-to-peer promotion.

The three service categories described above comprise the basis of our segment reporting for 2000. As our business evolves, existing and new services may be grouped differently within segments. Financial information for the operating segments can be found in note 21 to the consolidated financial statements included elsewhere in this report.

Corporate growth

We have generated strong internal growth by renewing and expanding programs with existing clients and by securing new business from leading pharmaceutical companies. In 2000 we further expanded our operations by launching our product sales and distribution business. We believe that we are the largest CSO operating in the United States measured both by revenue and total number of sales representatives used in detailing programs. The number of sales representatives employed by us has grown from 134 as of January 1, 1995 to 3,319 as of December 31, 2000, consisting of 2,947 full-time sales representatives and 372 part-time sales representatives. While none of our sales representatives at January 1, 1995 were full-time employees, 89% of our sales representatives at December 31, 2000 were full-time employees.

We believe that growth in the pharmaceutical industry is being driven primarily by:

- an aging population;
- technological developments, which have increased the number of medical conditions that can be treated or prevented by drugs; and
- managed care's preference for drug therapy over other treatment methods since drug therapy is generally less costly.

Large pharmaceutical companies are focusing their marketing efforts on drugs with high volume sales, newer or novel drugs which have the potential for high volume sales, and products which fit within core therapeutic or marketing priorities. As a result, major pharmaceutical companies increasingly have sought to outsource the sales, marketing and distribution of specific products or complete product lines.

We further believe that the trend toward the increased use of commercialization partners by pharmaceutical and biotechnology companies will continue due to the following industry dynamics:

- pharmaceutical companies will continue to expand their product portfolios and as a result will need to add sales force capacity;
- pharmaceutical companies will continue to face margin pressures and will seek to maintain flexibility by converting fixed costs to variable costs; and
- a tremendous influx of investment dollars into the specialty pharmaceutical and biotechnology industries has decreased the reliance of these companies on the larger pharmaceutical companies for commercialization capabilities and marketing dollars.

In order to leverage our competitive advantages, our growth strategy emphasizes:

- enhancing our leadership position in the CSO market by maintaining our historical focus on high-quality contract sales services and by continuing to build and invest in our core competencies and operations;
- continuing and expanding our concentrated marketing efforts to pharmaceutical and biotechnology companies for our commercialization services including brand management, managed care marketing, contract administration and trade relations;

- offering additional promotional, marketing and educational services and further developing our existing detailing services;
- investigating and pursuing appropriate acquisitions; and
- entering new geographic markets.

Other recent developments

In February 2000, we signed a three-year agreement with iPhysicianNet Inc.. iPhysicianNet is creating an internet based detailing service designed to enhance communication between drug manufacturers and physicians. Under our agreement with iPhysicianNet, we were appointed as the exclusive CSO in the United States for the iPhysicianNet network. As a result, once the service is available we will be able to offer e-detailing to existing and potential clients. In addition, as part of this agreement, we purchased $2.5 million worth of iPhysicianNet's preferred stock.

During the fourth quarter of 2000, we invested approximately $760,000 in In2Focus Sales Development Services Limited, a United Kingdom contract sales company. In2Focus intends to provide a full range of sales-related services and technologies to the pharmaceutical industry.

Manufacturers and suppliers

We do not have the capability to manufacture the pharmaceutical products we currently sell. As a result, we are dependent on GlaxoSmithKline to supply us with product. As part of our agreement with GlaxoSmithKline, LCV has minimum quarterly purchase requirements. If Glaxo is unable to supply product, our ability to ship product to our customers would be impaired, which could have an adverse effect on our business and results of operations. In addition, because we do not have expertise in these areas, we engaged an independent company to provide us with a full range of services relating to Ceftin, including inventory maintenance, shipping, billing and collections. Any change, delay or interruption in the distribution process could have a material effect on our business and results of operation.

Clients and contracts

Clients

We believe that our relationships with our clients, which include many of the largest pharmaceutical companies in the United States, are among our most important strategic assets and competitive advantages. We have enjoyed long-standing relationships with many of these clients, and a high percentage of our clients either renew their programs or enter into new contracts. We believe that the quality and stability of our client base promotes the consistency of our core business and that the scope and complexity of our clients' marketing needs present opportunities for expansion into new areas. There can be no assurance, however, that our clients will continue to renew or expand their relationships with us.

Contracts

Given the customized nature of our business, we utilize a variety of contract structures. Historically, most of our product detailing contracts were fee-for-services, i.e., the client pays a fee for a specified package of services. These contracts typically include performance benchmarks, such as a minimum number of sales representatives or a minimum number of calls. More recently, our contracts tend to have a lower base fee offset by built-in incentives we can earn based on our performance. In these situations, we have the opportunity to earn additional fees based on enhanced program results.

Our product detailing contracts generally are for terms of one to three years and may be renewed or extended. However, the majority of these contracts are terminable by the client for any reason upon 30 to 90 days notice. These contracts typically, but not always, provide for termination payments by the client upon a termination without cause. While the cancellation of a contract by a client without cause may result in the imposition of penalties on the client, these penalties may not act as an adequate deterrent to the termination of any

contract. In addition, we cannot assure you that these penalties will offset the revenue we could have earned under the contract or the costs we may incur as a result of its termination. The loss or termination of a large contract or the loss of multiple contracts could adversely affect our future revenue and profitability. In February 2001, GlaxoSmithKline notified us that they were exercising their right to terminate one of our contracts without cause. The termination will be effective April 18 2001, 75 days following the date of the termination notice. Contracts may also be terminated for cause if we fail to meet stated performance benchmarks. To date, no programs have been terminated for cause.

Our product detailing contracts typically contain cross-indemnification provisions between us and our client. The client will usually indemnify us against product liability and related claims arising from the sale of the product and we indemnify the clients with respect to the errors and omissions of our sales representatives in the course of their detailing activities. To date, we have not asserted, nor has there been asserted against us, any claim for indemnification under any contract.

In connection with LCV, we anticipate that we will also use a variety of contract structures. The Ceftin agreement is a marketing and distribution contract, under which we have the exclusive right to market and distribute the designated Ceftin products in the United States. The agreement has a five-year term but is cancelable by either party without cause on 120 days notice In addition, the agreement specifically provides that we have exposure for product liability claims. If GlaxoSmithKline was to cancel this contract it could have a material adverse effect on our results of operations and financial position.

Ceftin distribution

We market and sell Ceftin products through both full-time and part-time sales personnel. Ceftin products are sold primarily to wholesale drug distributors, retail chains and managed care providers. The wholesale drug distribution market is dominated by a limited number of large firms. For the year ended December 31, 2000, approximately 61.9% of our Ceftin sales were attributable to three distributors. In addition, the number of independent drug stores and small chains has decreased as retail consolidation has occurred.

Our marketing and sales promotion for Ceftin principally targets general/family practitioners and internal medicine physicians through detailing and sampling to encourage physicians to prescribe Ceftin for the appropriate patients. The sales force is supported and supplemented in trade publications.

Significant customers

Our significant customers are discussed in note 10 to the consolidated financial statements included elsewhere in this report.

Marketing

Most of our revenue is derived from renewals and extensions of existing programs, new programs with existing clients and new programs from new clients. Most of our new business, from both existing clients and new clients, is derived from responses to "requests for proposals" from pharmaceutical companies. However, we are also engaged in proactive efforts to generate more business from new and prospective clients. We have also implemented a sales process that is designed to leverage our results-oriented image through case studies, references and comprehensive proposals. This new business development process relies on the use of a dedicated sales and marketing team as well as our experienced senior management team.

Competition

Our competition includes in-house sales and marketing departments of pharmaceutical companies, other CSOs, the largest of which are Innovex (a subsidiary of Quintiles Transnational), the various sales and marketing affiliates of Ventiv Health (formerly Snyder Communications) and Nelson Professional Sales (a division of Nelson Communications, Inc.), emerging pharmaceutical companies and wholesale drug distributors. We also compete with other pharmaceutical companies for the distribution and marketing of

pharmaceutical products. These competitors include Bradley Pharmaceuticals, Inc., Dura Pharmaceuticals, Inc. (purchased in 2000 by Elan Corporation PLC), and King Pharmaceuticals, Inc., and other companies that acquire branded products and product lines from other pharmaceutical companies. This is an entirely new business for us and, as such, we face all the risks generally associated with the marketing and distribution of pharmaceutical products. There are relatively few barriers to entry into the businesses in which we operate and, as the industry continues to evolve, new competitors are likely to emerge. Many of our current and potential competitors are larger than we are and have greater financial, personnel and other resources than we do. Increased competition may lead to price and other forms of competition that may have a material adverse effect on our business and results of operations.

As a result of competitive pressures, pharmaceutical companies, as well as various organizations providing services to the pharmaceutical industry, are consolidating and are becoming targets of global organizations. This trend is likely to produce increased competition for clients and increased competitive pressures on smaller providers. If the trend in the pharmaceutical industry towards consolidation continues, pharmaceutical companies may have excess in-house sales force capacity and may, as a result, reduce or eliminate their use of CSOs. Although we intend to monitor industry trends and respond appropriately, we cannot be certain that we will be able to anticipate and successfully respond to such trends.

We believe that the primary competitive factor affecting contract sales services is the ability to quickly hire, train, deploy and manage qualified sales representatives to implement product detailing programs. We also compete on the basis of such factors as reputation, quality of services, experience of management, performance record, customer satisfaction, ability to respond to specific client needs, integration skills and price. We believe we compete effectively with respect to each of these factors.

Since Ceftin is generally established and commonly sold, we compete with companies that market and sell products with similar indications and alternate therapies during the period of patent protection and, subsequently, generic equivalents. The manufacturers of generic products typically do not bear the related research and development costs and other invested capital in products and consequently are able to offer their products at considerably lower prices. There are, however, a number of tactics that enable products to remain profitable once patent protection ceases. These include establishing a strong brand image with the prescriber or the consumer, supported by developing a broader range of alternative formulations than the manufacturers of generic products typically supply.

Government and industry regulation

The healthcare sector is heavily regulated by both government and industry. Various laws, regulations and guidelines promulgated by government, industry and professional bodies affect, among other matters, the provision, licensing, labeling, marketing, promotion, sale and reimbursement of healthcare services and products, including pharmaceutical products. The federal government has extensive enforcement powers over the activities of pharmaceutical manufacturers, including authority to withdraw product approvals, commence actions to seize and prohibit the sale of unapproved or non-complying products, to halt manufacturing operations that are not in compliance with Good Manufacturing Procedures, and to impose or seek injunctions, voluntary recalls, and civil monetary and criminal penalties. These restrictions or prohibitions on sales or withdrawal of approval of products marketed by us could materially adversely affect our business, financial condition and results of operations.

The Food, Drug and Cosmetic Act, as supplemented by various other statutes, regulates, among other matters, the approval, labeling, advertising, promotion, sale and distribution of drugs, including the practice of providing product samples to physicians. Under this statute, the United States Food and Drug Administration regulates all promotional activities involving prescription drugs. The distribution of pharmaceutical products is also governed by the Prescription Drug Marketing Act (PDMA), which regulates these activities at both the federal and state level. The PDMA imposes extensive licensing, personnel record keeping, packaging, quantity, labeling, product handling and facility storage and security requirements intended to prevent the sale of pharmaceutical

product samples or other diversions. Under the PDMA and its implementing regulations, states are permitted to require registration of manufacturers and distributors who provide pharmaceutical products even if such manufacturers or distributors have no place of business within the state. States are also permitted to adopt regulations limiting the distribution of product samples to licensed practitioners and require extensive record keeping and labeling of such samples for tracing purposes. The sale or distribution of pharmaceuticals is also governed by the Federal Trade Commission Act.

Some of the services that we currently perform or that we may provide in the future may also be affected by various guidelines promulgated by industry and professional organizations. For example, ethical guidelines promulgated by the American Medical Association (AMA) govern, among other matters, the receipt by physicians of gifts from health-related entities. These guidelines govern honoraria, and other items of pecuniary value, which AMA member physicians may receive, directly or indirectly, from pharmaceutical companies. Similar guidelines

and policies have been adopted by other professional and industry organizations, such as Pharmaceutical Research and Manufacturers of America.

There are also numerous federal and state laws pertaining to healthcare fraud and abuse. In particular, certain federal and state laws prohibit manufacturers, suppliers and providers from offering or giving or receiving kickbacks or other remuneration in connection with ordering or recommending purchase or rental of healthcare items and services. The federal anti-kickback statute imposes both civil and criminal penalties for, among other things, offering or paying any remuneration to induce someone to refer patients to, or to purchase, lease, or order (or arrange for or recommend the purchase, lease, or order of), any item or service for which payment may be made by Medicare or certain federally-funded state healthcare programs (e.g., Medicaid). This statute also prohibits soliciting or receiving any remuneration in exchange for engaging in any of these activities. The prohibition applies whether the remuneration is provided directly or indirectly, overtly or covertly, in cash or in kind. Violations of the law can result in numerous sanctions, including criminal fines, imprisonment, and exclusion from participation in the Medicare and Medicaid programs.

Several states also have referral, fee splitting and other similar laws that may restrict the payment or receipt of remuneration in connection with the purchase or rental of medical equipment and supplies. State laws vary in scope and have been infrequently interpreted by courts and regulatory agencies, but may apply to all healthcare items or services, regardless of whether Medicare or Medicaid funds are involved.

We cannot determine what effect changes in regulations or statutes or legal interpretations, when and if promulgated or enacted, may have on our business in the future. Changes could, among other things, require changes to manufacturing methods, expanded or different labeling, the recall, replacement or discontinuance of certain products, additional record keeping or expanded documentation of the properties of certain products and scientific substantiation. Such changes, or new legislation, could have a material adverse effect on our business, financial condition and results of operations. Our failure, or the failure of our clients to comply with, or any change in, the applicable regulatory requirements or professional organization or industry guidelines could, among other things, limit or prohibit us or our clients from conducting business activities as presently conducted, result in adverse publicity, increase the costs of regulatory compliance or result in monetary fines or other penalties. Any of these occurrences could have a material adverse affect on us.

Insurance

We maintain various types of insurance relating to our operations. We cannot assure you that the insurance policies we have will cover all potential claims that may be brought against us or that the particular policy limits are adequate.

Liability insurance

We protect ourselves against potential liability by maintaining general liability and professional liability insurance, and by contractual indemnification provisions. We may seek to increase our existing policy limits or obtain additional insurance coverage in the future as our business grows. Although we have not experienced difficulty obtaining insurance coverage in the past, we cannot be certain that we can increase our existing policy limits or obtain additional insurance coverage on acceptable terms or at all. In addition, although our clients may indemnify us for their negligent conduct, that may not adequately protect us from liability.

Product liability insurance

In connection with our marketing and distribution of Ceftin, we maintain product liability insurance. To date, to our knowledge, no product liability claim has been made against us, and we have no reason to believe that any claim is pending or threatened. We cannot assure you that our product liability coverage is sufficient to protect us against any claim.

Employment practice liability insurance

The success of our business depends on our ability to deploy a high-quality sales force quickly. As part of our recruiting and hiring process, we conduct a thorough screening process, drug testing and rigorous interviews. In addition, we must continually evaluate our personnel and, when necessary, terminate some of our employees with or without cause. Accordingly, we may be subject to lawsuits relating to wrongful termination, discrimination and harassment. We have obtained employment practice liability insurance, which insures us against claims made by employees or former employees relating to their employment, i.e., wrongful termination, sexual harassment, etc. To date, we have not made any claims under this policy. We cannot be sure that the coverage we maintain will be sufficient to cover any future claims or will continue to be available in adequate amounts or at a reasonable cost. We could be materially and adversely affected if we were required to pay damages or incur defense costs in connection with a claim by an employee that is outside the scope of coverage or exceeds the limits of our policy.

Automobile Insurance

We maintain a fleet of automobiles for our sales force and certain other employees. These automobiles are covered by a fleet automobile insurance policy.

Other Insurance

We maintain insurance to protect the inventory of Ceftin while in storage. We also maintain business interruption insurance to protect against sudden and unexpected events where manufacturing problems might make Ceftin unavailable to us.

CERTAIN FACTORS THAT MAY AFFECT FUTURE GROWTH

The following factors may affect our future growth and should be considered by any prospective purchaser of our securities.

Risks Related to LCV

LCV represents a new business with which we have no prior experience. We cannot assure you that we will successfully execute our business plans for LCV.

In October 2000, LCV entered into an agreement with GlaxoSmithKline, the owner of all the rights to, and the manufacturer of, the antibiotic Ceftin. Under this agreement, LCV acquired the exclusive right to distribute designated Ceftin products in the United States. This is an entirely new business for us and, as such, we face all the risks generally associated with emerging pharmaceutical companies. These risks include the following:

- establishing and maintaining relationships with wholesale drug distributors, third party payors, retail drug chains and other distributors;

- attracting, hiring and retaining qualified personnel;

- complying with regulatory requirements;

- establishing inventory control procedures;

- identifying and obtaining the rights to sell and distribute additional pharmaceutical products; and

- obtaining capital to finance the expansion of the business.

In addition, as a result of our agreement with GlaxoSmithKline, our operating expenditures have increased significantly. These expenditures include minimum purchase requirements of Ceftin, payments to third parties for inventory maintenance and control, distribution services and accounts receivable administration, as well as expenditures for sales and marketing.

If we are unable to increase sales of Ceftin, or if sales of Ceftin decline, our profitability could be adversely affected, which could adversely affect the price of our common stock.

Under our agreement with GlaxoSmithKline, we are required to make minimum quarterly purchases of Ceftin. These minimum purchase requirements are based upon historical Ceftin sales. However, in order for this program to be profitable for us, we must increase sales of Ceftin significantly beyond these minimum purchase requirements. Decreased or lower-than-anticipated demand for Ceftin could materially adversely affect our operating results. The market demand for cephalosporin antibiotics, such as Ceftin, in the United States has been declining as a percentage of overall antibiotic sales. Other factors that could adversely affect sales of Ceftin include:

- competition from new or existing drug products, including introduction of generic equivalents prior to the expiration of Ceftin's patents;

- our ability to maintain adequate and uninterrupted sources of supply to meet demand;

- contamination of product lots or product recalls; and

- changes in private health insurer reimbursement rates or policies for Ceftin.

If we cannot maintain or increase sales of Ceftin from their current levels, our business, operations and financial results could be adversely affected. We cannot give any assurance that we will be able to maintain or increase the market for Ceftin.

The profitability of the Ceftin contract depends, in part, on the rebates and sales allowances we are required to pay our customers. If our assumptions are incorrect, our actual costs under the Ceftin contract will be greater than anticipated.

The minimum purchase requirements under the Ceftin agreement assume a certain level of customer rebates and sales allowances. If these assumptions are incorrect -- i.e., actual rebates and allowances are higher than anticipated -- we would have to further increase the sales of Ceftin in order to make a profit. The assumptions are based on the historical experiences of Ceftin as well as estimated changes based on new facts and circumstances. We cannot assure you that these trends will continue or that estimated changes will materialize.

If GlaxoSmithKline fails to supply us with sufficient quantities of Ceftin to meet continued demand for the product, our remedies are limited.

We depend on GlaxoSmithKline to provide us with sufficient quantities of the designated Ceftin products to meet demand. We try to maintain inventory levels that are no greater than necessary to meet our projected needs. Any interruption in the supply of Ceftin could hinder our ability to timely distribute finished Ceftin to our customers. Although GlaxoSmithKline is contractually bound to meet our supply requirements, we cannot assure you that it will be able to manufacture sufficient quantities of Ceftin to meet demand. Limits on our current sources of supply could have a material adverse impact on

our financial condition, results of operation and cash flows. We cannot be certain that supply interruptions will not occur or that our inventory will always be adequate. Numerous factors could cause interruptions in the supply of our finished products including shortages in raw material required by our manufacturers, changes in our sources for manufacturing, our failure to timely locate and obtain replacement manufacturers as needed and conditions effecting the cost and availability of raw materials. GlaxoSmithKline relies on suppliers of raw materials used in the production of Ceftin. Some of these materials are available from only one source and others may become available from only one source. Any disruption in the supply of raw materials or an increase in the cost of raw materials to GlaxoSmithKline could have a significant effect on its ability to supply us with Ceftin products.

If we are unable to attract key employees and consultants, we may be unable to develop our LCV business.

Due to the fact that we have no prior experience with contracts like the Ceftin agreement, the successful execution of that contract and of LCV in general depends, in large part, on our ability to attract and retain qualified management and marketing personnel with the skills and qualifications necessary to fully execute the Ceftin agreement. Competition for personnel among companies in the pharmaceutical industry is intense and we cannot assure you that we will be able to continue to attract or retain the personnel necessary to support the growth of our

LCV business. Christopher Tama is executive vice president - LifeCycle Ventures. If Mr. Tama ceases to perform services for LCV the business, financial condition and results of operations of LCV could be adversely affected.

We depend on third parties, over whom we have no control, for client maintenance, contract administration, inventory control, distribution, and accounts receivable administration.

We have no existing relationships with drug wholesalers, government agencies or third party payors, which is critical to the success of the Ceftin program. GlaxoSmithKline will continue to administer contractual relationships regarding Ceftin through June 2001. If we cannot establish or expand these relationships before July 2001, our financial condition, results of operations and cash flows could be adversely affected. In addition, we depend on an unrelated third party to provide us with inventory control, distribution and accounts receivable administration services regarding Ceftin. We have no experience dealing with this third party vendor and we cannot assure you that they can or will provide us with these services efficiently and reliably. If we are forced to terminate this relationship, we will need to find a suitable replacement quickly or our ability to execute the Ceftin contract will be severely compromised. We cannot assure you that we will be able to find a suitable replacement quickly, if at all.

Failure to have Ceftin designated for reimbursement by third party payors will adversely affect our sales.

The use of Ceftin depends substantially on governmental agencies, private health insurers and health maintenance organizations reimbursing patients for the cost of Ceftin or including Ceftin on their formulary lists. There are many considerations that determine whether a particular product will be approved by these agencies and organizations, including price. If Ceftin is not reimbursed or included on formulary lists of these agencies and organizations, and therefore not approved for use by affiliated physicians, demand for Ceftin could decline which would adversely impact our results of operations. In addition, any change in reimbursement rates or reimbursement policies by these organizations could adversely affect the market for Ceftin.

If Ceftin's patent expires, the introduction of generic alternatives will adversely impact the market for Ceftin.

Ceftin Tablets and Ceftin for Oral Suspension are covered by patents which expire in July 2003 and May 2008, respectively. GlaxoSmithKline retains all of the patent rights to Ceftin. However, it is under no obligation to defend those rights or seek to extend the patent rights. If the patent rights to Ceftin are allowed to expire or if GlaxoSmithKline elects not to defend those rights,

generic alternatives are likely to be introduced and sales of Ceftin will suffer. This will have a material adverse affect on our business, results of operations and financial condition. Recently, GlaxoSmithKline obtained a preliminary injunction blocking the introduction of a generic form of cephalosporin that it believed violated its patent rights. Other drug manufacturers may try to introduce generic forms of Ceftin in the future and we cannot be certain that GlaxoSmithKline will continue to defend its patents or, if it does, that it will be successful in doing so.

We may be required to defend lawsuits or pay damages for product liability claims. Product liability litigation is costly and could divert management's time and attention from more productive activities.

Product liability is a major risk in distributing and marketing pharmaceutical products. We could face substantial product liability exposure relating to the distribution and sale of Ceftin. Product liability claims, regardless of their merits, could be costly and divert management's attention, or adversely affect our reputation and the demand for our products. Although we currently maintain product liability insurance coverage there is no assurance that we will continue to maintain such coverage or that any such coverage will be adequate to offset potential damages.

Risks Relating to Our Other Businesses

If the pharmaceutical industry does not continue to use, or fails to increase its use of, third party service organizations to market and promote its products, our business would be seriously harmed.

We generate substantially all of our service revenue from providing product detailing services to pharmaceutical companies. We have benefited from the growing trend of pharmaceutical companies to outsource marketing and promotional programs. We cannot be certain that this trend will continue. For example, the growth in outsourcing is

driven, in part, by the growth in the number of pharmaceutical products developed over the last few years. However, recently there has been a decrease in the number of new ethical compounds coming to market. If this trend continues, pharmaceutical companies may reduce their outsourcing programs. Furthermore, the trend in the pharmaceutical industry toward consolidation, by merger or otherwise, may result in a reduction in the use of CSOs. A significant change in the direction of the outsourcing trend generally, or a trend in the pharmaceutical industry not to use, or to reduce the use of, outsourced marketing services, such as those we provide, would have a material adverse effect on our business.

A decrease in marketing or promotional expenditures by the pharmaceutical industry as a result of private initiatives, government reform or otherwise, could have an adverse affect on our business.

Our business, financial condition and results of operations depend on marketing and promotional expenditures by pharmaceutical companies for their products. Unfavorable developments in the pharmaceutical industry could adversely affect our business. These developments could include reductions in expenditures for marketing and promotional activities or a shift in marketing focus away from product detailing. Promotional, marketing and sales expenditures by pharmaceutical companies could also be negatively impacted by government reform or private market initiatives intended to reduce the cost of pharmaceutical products or by government, medical association or pharmaceutical industry initiatives designed to regulate the manner in which pharmaceutical companies promote their products.

Most of our service revenue is derived from a limited number of clients, the loss of any one of which could adversely affect our business.

Our revenue and profitability are highly dependent on our relationships with a limited number of large pharmaceutical companies. In 2000, we had three clients that each accounted for more than 10% of our service revenue. Individually, they accounted for approximately 29%, 21% and 12%, respectively, or a total of 62%, of our service revenue. We are likely to continue to experience a high degree of client concentration, particularly if there is

further consolidation within the pharmaceutical industry. The loss or a significant reduction of business from any of our major clients could have a material adverse effect on our business and results of operations.

Our contracts are short-term agreements and are subject to cancellation at any time, which may result in lost revenue, additional costs and expenses and adversely affect our stock price.

Our contracts are generally for a term of one year and may be terminated by the client at any time for any reason. In February 2001, GlaxoSmithKline cancelled a significant detailing program. The termination of a contract by one of our major clients not only results in lost revenue, but may cause us to incur additional costs and expenses. For example, all of our sales representatives are employees rather than independent contractors. Accordingly, upon termination of a contract, unless we can immediately transfer the related sales force to a new program, we either must continue to compensate those employees, without realizing any related revenue, or terminate their employment. If we terminate their employment, we may incur significant expenses relating to their termination.

We may lose money on fixed-fee contracts and performance-based contracts.

Many of our contracts are fixed fee arrangements. We also enter into some contracts in which a portion of our fees are contingent on meeting performance objectives. Accordingly, if we underestimate the costs associated with the services to be provided under a particular contract, or if there are unanticipated increases in our operating or administrative expenses, or if we fail to meet certain performance objectives, or if we incorrectly assess the market potential of a particular product, the margins on that contract and our overall profitability may be adversely affected.

Our recent rapid growth has placed additional burdens on our corporate infrastructure. In order to remain profitable, we must continue to manage our growth properly.

We have recently experienced rapid growth in the number of employees, the size of our programs and the scope of our operations. Our ability to manage such growth effectively will depend upon our ability to enhance our management team and our ability to attract and retain skilled employees. Our success will also depend on the ability of our officers and key employees to continue to implement and improve our operational, management information

and financial control systems, and to expand, train and manage our workforce. Failure to manage growth effectively could have a material adverse effect on our business and results of operations.

Government or private initiatives to reduce healthcare costs could have a material adverse effect on the pharmaceutical industry and on us.

The primary trend in the United States healthcare industry is toward cost containment. Comprehensive government healthcare reform intended to reduce healthcare costs, the growth of total healthcare expenditures and expand healthcare coverage for the uninsured have been proposed in the past and may be considered again in the near future. Implementation of government healthcare reform may adversely affect promotional and marketing expenditures by pharmaceutical companies, which could decrease the business opportunities available to us. In addition, the increasing use of managed care, centralized purchasing decisions, consolidations among and integration of healthcare providers are continuing to affect purchasing and usage patterns in the healthcare system. Decisions regarding the use of pharmaceutical products are increasingly being consolidated into group purchasing organizations, regional integrated delivery systems and similar organizations and are becoming more economically focused, with decision makers taking into account the cost of the product and whether a product reduces the cost of treatment. Significant cost containment initiatives adopted by government or private entities could have a material adverse effect on our business.

Our failure, or that of our clients, to comply with applicable healthcare regulations could limit, prohibit or otherwise adversely impact our business activities.

Various laws, regulations and guidelines promulgated by government, industry and professional bodies affect, among other matters, the provision, licensing, labeling, marketing, promotion, sale and distribution of healthcare services and products, including pharmaceutical products. In particular, the healthcare industry is subject to various Federal and state laws pertaining to healthcare fraud and abuse, including prohibitions on the payment or acceptance of kickbacks or other remuneration in return for the purchase or lease of products that are paid for by Medicare or Medicaid. Sanctions for violating these laws include civil and criminal fines and penalties and possible exclusion from Medicare, Medicaid and other Federal healthcare programs. Although we believe our current business arrangements do not violate these Federal and state fraud and abuse laws, we cannot be certain that our business practices will not be challenged under these laws in the future or that a challenge would not have a material adverse effect on our business, financial condition and results of operations. Our failure, or the failure of our clients, to comply with these laws, regulations and guidelines, or any change in these laws, regulations and guidelines may, among other things, limit or prohibit our business activities or those of our clients, subject us or our clients to adverse publicity, increase the cost of regulatory compliance or subject us or our clients to monetary fines or other penalties.

Our industry is highly competitive and our failure to address competitive developments promptly will limit our ability to retain and increase our market share.

Our primary competitors include in-house sales and marketing departments of pharmaceutical companies, other CSOs, such as Innovex (a subsidiary of Quintiles Transnational) the various sales and marketing affiliates of Ventiv Health (formerly, Snyder Communications) and Nelson Professional Sales (a division of Nelson Communications, Inc.), drug wholesalers and emerging pharmaceutical companies. We also compete with other pharmaceutical companies for the distribution and marketing of pharmaceutical products. There are relatively few barriers to entry in the businesses in which we compete and, as the industry continues to evolve, new competitors are likely to emerge. Many of our current and potential competitors are larger than we are and have substantially greater capital, personnel and other resources than we have. Increased competition may lead to price and other forms of competition that could have a material adverse effect on our market share, business and results of operations.

As a result of competitive pressures, various organizations providing services to the pharmaceutical industry are consolidating and are becoming targets of global organizations. This trend is likely to produce increased competition for clients. In addition, if the trend in the pharmaceutical industry towards consolidation continues, pharmaceutical companies may have excess in-house sales force capacity and they may, as a result, reduce or eliminate their use of CSOs or choose to award their product detailing and other marketing and promotional programs to organizations

that can provide a broader range of services. Although we intend to monitor industry trends and respond appropriately, we may not be able to anticipate and successfully respond to such trends.

Our business will suffer if we fail to attract and retain experienced sales representatives.

The success and growth of our business depends on our ability to attract and retain qualified and experienced pharmaceutical sales representatives. There is intense competition for experienced pharmaceutical sales representatives from competing CSOs and pharmaceutical companies. On occasion our clients have hired the sales representatives that we trained to detail its products. We cannot be certain that we can continue to attract and retain qualified personnel. If we cannot attract, retain and motivate qualified sales personnel, we will not be able to expand our business and our ability to perform under our existing contracts will be impaired.

Our business will suffer if we lose certain key management personnel.

The success of our business also depends on our ability to attract, retain

and motivate qualified senior management, financial and administrative personnel who are in high demand and who often have multiple employment options. Currently, we depend on a number of our senior executives, including Charles T. Saldarini, our chief executive officer; Steven K. Budd, our president and chief operating officer; and Bernard C. Boyle, our chief financial officer. The loss of the services of any one or more of these executives could have a material adverse effect on our business, financial condition and results of operations. Except for a $5 million key-man life insurance policy on the life of Mr. Saldarini and a $3 million policy on the life of Mr. Budd, we do not maintain and do not contemplate obtaining insurance policies on any of our employees.

The costs and difficulties of acquiring and integrating new businesses could impede our future growth and adversely affect our competitiveness.

As part of our growth strategy, we constantly evaluate new acquisition opportunities. Since our initial public offering in May 1998 we have completed two acquisitions, TVG and ProtoCall. Acquisitions involve numerous risks and uncertainties, including:

- the difficulty of identifying appropriate acquisition candidates;
- the difficulty integrating the operations and products and services of the acquired companies;
- the expenses incurred in connection with the acquisition and subsequent integration of operations and products and services;
- the impairment of relationships with employees, customers or vendors as a result of changes in management and ownership;
- the diversion of management's attention from other business concerns; and
- the potential loss of key employees or customers of the acquired company.

Acquisitions of companies outside the United States also may involve the following additional risks:

- assimilating differences in international business practices;
- overcoming language differences;
- exposure to currency fluctuations;
- difficulties in complying with a variety of foreign laws;
- unexpected changes in regulatory requirements;
- difficulties in staffing and managing foreign operations; and
- potentially adverse tax consequences.

We may be unable to successfully identify, complete or integrate any future acquisitions, and acquisitions that we complete may not contribute favorably to our operations and future financial condition. We may also face increased competition for acquisition opportunities, which may inhibit our ability to consummate suitable acquisitions on favorable terms.

Our controlling stockholder continues to have effective control of us, which could delay or prevent a change in corporate control that stockholders may believe will improve management.

John P. Dugan, our chairman, beneficially owns approximately 35% of our outstanding common stock (excluding shares issuable upon the exercise of options). As a result, Mr. Dugan will be able to exercise substantial control over the election of all of our directors, and to determine the outcome of most corporate actions requiring stockholder approval, including a merger with or into another company, the sale of all or substantially all of our assets and amendments to our certificate of incorporation.

We have anti-takeover defenses that could delay or prevent an acquisition and could adversely affect the price of our common stock.

Our certificate of incorporation and bylaws include certain provisions, such as three classes of directors, which are intended to enhance the likelihood of continuity and stability in the composition of our board of directors. These provisions may render the removal of our directors and management more difficult and adversely affect the price of our common stock. In addition, our certificate of incorporation authorizes the issuance of "blank check" preferred stock. This provision could have the effect of delaying, deterring or preventing a future

takeover or a change in control, unless the takeover or change in control is approved by our board of directors, even though the transaction might offer our stockholders an opportunity to sell their shares at a price above the current market price.

Our quarterly revenues and operating results may vary which may cause the price of our common stock to fluctuate.

Our quarterly operating results may vary as a result of a number of factors, including:

- the commencement, delay, cancellation or completion of programs;
- the mix of services provided;
- the timing and amount of expenses for implementing new programs and services;
- the accuracy of estimates of resources required for ongoing programs;
- uncertainty related to compensation based on achieving performance benchmarks;
- the timing and integration of acquisitions;
- changes in regulations related to pharmaceutical companies; and
- general economic conditions.

In addition, generally, we recognize revenue as services are performed, while program costs, other than training costs, are expensed as incurred. As a result, during the first two to three months of a new contract, we may incur substantial expenses associated with staffing that new program without recognizing any revenue under that contract. This could have an adverse impact on our operating results and the price of our common stock for the quarters in which these expenses are incurred. We believe that quarterly comparisons of our financial results are not necessarily meaningful and should not be relied upon as an indication of future performance. Fluctuations in quarterly results could adversely affect the market price of our common stock in a manner unrelated to our long term operating performance.

Our stock price is volatile and could be further affected by events not within our control. In 2000 our stock traded at a low of $18 and a high of $142.

The market for our common stock is volatile. The trading price of our common stock has been and will continue to be subject to:

- volatility in the trading markets generally;
- significant fluctuations in our quarterly operating results;
- announcements regarding our business or the business of our competitors;
- industry development;
- changes in product mix;
- changes in revenue and revenue growth rates for us and for our industry as a whole; and

- statements or changes in opinions, ratings or earnings estimates made by brokerage firms or industry analysts relating to the markets in which we operate or expect to operate.

Employees

As of December 31, 2000, we had 4,061 employees, including 3,319 sales representatives. Approximately 169 employees work at our headquarters in Upper Saddle River, New Jersey, 162 employees work out of TVG's headquarters in Fort Washington, Pennsylvania, six employees work out of LCV's headquarters in Lawrenceville, New Jersey, and 27 employees work out of ProtoCall's headquarters in Cincinnati, Ohio. In addition, we have 378 field based sales managers. We are not party to a collective bargaining agreement with a labor union and our relations with our employees are good.

ITEM 2. PROPERTIES

Facilities

Our corporate headquarters is located in Upper Saddle River, New Jersey,

in approximately 46,500 square feet of space. The lease for all but 8,000 square feet of this expires in the fourth quarter of 2004 with an option to extend for an additional five years. The remaining 8,000 square feet was taken by assignment and expires in the second quarter of 2004. In July 2000, to accommodate growth at our headquarters' facility, we leased approximately 20,000 square feet in Mahwah, New Jersey. This lease commenced in September 2000, and expires in the first quarter of 2003.

In December 2000, we signed a three-year lease for an operating office in High Point, North Carolina. The lease is for approximately 1200 square feet of office space.

TVG operates from a 48,000 square foot facility in Fort Washington, Pennsylvania, under a lease that expires in the second quarter of 2005.

ProtoCall's headquarters are located in Cincinnati, Ohio, in approximately 11,000 square feet of space occupied under a lease this is for five years and commenced in April 2000.

LCV occupies space in two facilities. LCV's main office is located in Lawrenceville, New Jersey in approximately 9,300 square feet. LCV also rents a 1,000 square foot sales office in Durham, North Carolina.

ITEM 3. LEGAL PROCEEDINGS

We are not currently a party to any material pending litigation and we are not aware of any material threatened litigation.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR OUR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Our common stock is traded on the Nasdaq National Market under the symbol PDII. The following table sets forth, for each of the periods indicated, the range of high and low closing sales prices for the common stock as reported by the Nasdaq National Market.

<TABLE>
<CAPTION>

<S>	High <C>	Low <C>
1999		
First quarter..	36.000	23.375
Second quarter...	32.000	22.750
Third quarter..	33.875	24.750
Fourth quarter	31.625	24.875
2000		
First quarter..	30.000	19.625
Second quarter...	34.063	19.000
Third quarter..	57.250	34.313
Fourth quarter	135.188	72.000

</TABLE>

We believe that, as of March 23, 2001, we had approximately 3,000 beneficial stockholders.

Dividend policy

We have not paid any dividends and do not intend to pay any dividends in the foreseeable future. Future earnings, if any, will be used to finance the future growth of our business. Future dividends, if any, will be determined by our board of directors.

Changes in securities and use of proceeds

In May 1998, we completed our initial public offering (the "IPO") of 3,220,000 shares of Common Stock (including 420,000 shares in connection with the exercise of the underwriters' over-allotment option) at a price per share of $16.00. Net proceeds to us after expenses of the IPO were approximately $46.4 million.

(1) Effective date of Registration Statement: May 19, 1998 (File No. 333-46321).
(2) The Offering commenced on May 19, 1998 and was consummated on May 22, 1998.
(4)(i) All securities registered in the Offering were sold.
(4)(ii) The managing underwriters of the Offering were Morgan Stanley Dean Witter, William Blair & Company and Hambrecht & Quist.
(4)(iii) Common Stock, $.01 par value
(4)(iv) Amount registered and sold: 3,220,000 shares Aggregate purchase price: $51,520,000 All shares were sold for the account of the Issuer.
(4)(v) $3,606,400 in underwriting discounts and commissions were paid to the underwriters. $1,490,758 of other expenses were incurred, including estimated expenses.
(4)(vi) $46,422,842 of net Offering proceeds to the Issuer.
(4)(vii) Use of Proceeds:
$46,422,842 of temporary investments with maturities of up to 3 months as of December 31, 2000.

ITEM 6. SELECTED FINANCIAL DATA

The selected consolidated financial data set forth below as of and for the years ended December 31, 2000, 1999, 1998, 1997 and 1996 are derived from our audited consolidated financial statements and the accompanying notes. Our consolidated financial statements for each of the periods presented reflects our acquisition of TVG in May 1999, which was accounted for as a pooling of interests. Consolidated balance sheets at December 31, 2000 and 1999 and consolidated statements of operations, stockholders' equity and cash flows for the three years ended December 31, 2000, 1999 and 1998 and the accompanying notes are included elsewhere in this report and have been

audited by PricewaterhouseCoopers LLP, independent accountants, in reliance of the audit reports issued to TVG by Grant Thornton LLP for 1998. Our audited consolidated balance sheets at December 31, 1998, 1997 and 1996 and our consolidated statements of operations, stockholder's equity and cash flows for the years ended December 31, 1997 and 1996 are not included in this report but have been audited by PricewaterhouseCoopers LLP in reliance on audit reports issued to TVG by Grant Thornton LLP for 1998 and 1997 and Arthur Andersen LLP for 1996. The selected financial data set forth below should be read together with, and are qualified by reference to, "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our audited Financial Statements and related notes appearing elsewhere in this report.

Statement of operations data:

<TABLE>
<CAPTION>

<S>	Years Ended December 31, (In thousands, except per share and statistical data)				
	2000 <C>	1999 <C>	1998 <C>	1997 <C>	1996 <C>
Revenue					
Service, net	$315,867	$174,902	$119,421	$ 75,243	$ 49,090
Product, net	101,008	--	--	--	--
Total revenue, net	416,875	174,902	119,421	75,243	49,090
Cost of goods and services					
Program expenses	235,355	130,121	87,840	55,854	35,738
Cost of goods sold	68,997	--	--	--	--

Total cost of goods and services	304,352	130,121	87,840	55,854	35,738
Gross profit	112,523	44,781	31,581	19,389	13,352
Compensation expense	32,820	19,611	15,779	12,021	8,519
Bonus to controlling stockholder (1) (2)	--	--	--	2,243	1,500
Stock grant expense (2) (3)	--	--	--	4,470	--
Other selling, general and administrative expenses	38,827	9,448	6,546	4,749	3,509
Acquisition and related expenses	--	1,246	--	--	--
Total selling, general and administrative expenses	71,647	30,305	22,325	23,483	13,528
Operating income (loss) (2)	40,876	14,476	9,256	(4,094)	(176)
Other income, net	4,864	3,471	2,273	376	275
Income (loss) before provision for income taxes	45,740	17,947	11,529	(3,718)	99
Provision for income taxes	18,712	7,539	1,691	126	208
Net income (loss)	$ 27,028	$ 10,408	$ 9,838	$ (3,844)	$ (109)
Basic net income (loss) per share	$ 2.00	$ 0.87	$ 0.92	$ (0.44)	$ (0.01)
Diluted net income (loss) per share	$ 1.96	$ 0.86	$ 0.91	$ (0.44)	$ (0.01)
Basic weighted average number of shares outstanding	13,503	11,958	10,684	8,730	9,064
Diluted weighted average number of shares outstanding	13,773	12,167	10,814	8,730	9,064

</TABLE>

<TABLE>
<CAPTION>

	Years Ended December 31,			
	1999	1998	1997	1996
	(In thousands, except per share and statistical data)			
<S>	<C>	<C>	<C>	<C>
Pro forma data (unaudited)				
Income (loss) before provision for income taxes	$ 17,947	$ 11,529	$ (3,718)	$ 99
Pro forma provision for income taxes (4)	7,677	4,611	--	40
Pro forma net income (loss) (4)	$ 10,270	$ 6,918	$ (3,718)	$ 59
Pro forma basic net income (loss) per share (4) (5)	$ 0.86	$ 0.65	$ (0.43)	$ 0.01
Pro forma diluted net income (loss) per share (4) (5)	$ 0.84	$ 0.64	$ (0.43)	$ 0.01
Basic weighted average number of shares outstanding (5)	11,958	10,684	8,730	9,064
Pro forma diluted weighted average number of shares outstanding (5)	12,167	10,814	8,730	9,064

</TABLE>

Other operating data (unaudited):

<TABLE>
<CAPTION>

	Years Ended December 31,				
	2000	1999	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>
Number of sales representatives at end of period:					
Full-time	2,947	1,669	1,143	529	33
Part-time	372	433	242	401	691
Total	3,319	2,102	1,385	930	724

</TABLE>

Balance sheet data:

<TABLE>
<CAPTION>

	As of December 31,				
	2000	1999	1998	1997	1996
	(in thousands)				
<S>	<C>	<C>	<C>	<C>	<C>
Cash and cash equivalents	$109,000	$ 57,787	$ 56,989	$ 7,762	$ 3,658
Working capital	120,720	53,144	47,048	584	307
Total assets	270,225	102,960	77,390	21,868	15,805
Total long-term debt	--	--	--	--	--
Stockholders' equity	138,110	60,820	50,365	1,647	1,297

</TABLE>

- ----------------

(1) Prior to the IPO, we were treated as an S corporation under subchapter S of the Internal Revenue Code and under the corresponding provisions of the tax laws of the State of New Jersey. Historically, as an S corporation, we made annual bonus payments to our controlling stockholder based on our estimated profitability and working capital requirements. We have not paid bonuses to our controlling stockholder since 1997 and do not expect to in future periods.

(2) There were no bonus payments to our controlling stockholder or stock grant expense charges in 2000, 1999 and 1998, and we do not expect to incur these charges in future periods. Exclusive of these non-recurring charges, our operating income (loss) for the years ended December 31, 1997 and 1996 would have been $2,619 and $1,324 respectively. See note 1 above.

(3) On January 1, 1997, we issued shares of our common stock to Charles T. Saldarini, our current vice chairman and chief executive officer. For financial accounting purposes, a non-recurring, non-cash compensation expense was recorded in the quarter ended March 31, 1997.

(4) Prior to the IPO, we were an S corporation and had not been subject to Federal or New Jersey corporate income taxes, other than a New Jersey state corporate income tax of approximately 2%. In addition, TVG, a 1999 acquisition accounted for as a pooling of interest, was also taxed as an S corporation from January 1997 to May 1999. Pro forma provision for income taxes, pro forma net income (loss) and basic and diluted net income (loss) per share for all periods presented reflect a provision for income taxes as if we and TVG had been taxed at the statutory tax rates in effect for C corporations for all periods. See note 19 to our audited consolidated financial statements included elsewhere in this report.

(5) See note 7 to our audited consolidated financial statements included elsewhere in this report for a description of the computation of basic and diluted weighted average number of shares outstanding.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Statement Identifying Important Factors That Could Cause Our Actual Results to Differ From Those Projected in Forward Looking Statements.

Pursuant to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, readers of this report are advised that this document contains both statements of historical facts and forward looking statements. Forward looking statements are subject to risks and uncertainties, which could cause our actual results to differ materially from those indicated by the forward looking statements. Examples of forward looking statements include, but are not limited to (i) projections of revenues, income or loss, earnings per share, capital expenditures, dividends, capital structure and other financial items, (ii) statements regarding our plans and objectives including product enhancements, or estimates or predictions of actions by customers, suppliers, competitors or regulatory authorities, (iii) statements of future economic performance, and (iv) statements of assumptions underlying other

statements.

This report also identifies important factors that could cause our actual results to differ materially from those indicated by the forward looking statements. These risks and uncertainties include the factors discussed under the heading "Certain Factors That May Affect Future Growth" beginning at page 10 of this report.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations should be read in conjunction with our consolidated financial statements and the notes thereto appearing elsewhere in this report.

Overview

We are a leading provider of sales and marketing services to the United States pharmaceutical industry. Within our three operating segments we provide the following services:

- dedicated contract sales services;
- syndicated contract sales services;
- LifeCycle X-Tension services;
- LifeCycle Launch services;
- marketing research and consulting services; and
- medical education and communication services.

Our clients, which include some of the largest pharmaceutical companies in the world, engage us on a contractual basis to design and implement product detailing programs for both prescription and over-the-counter (OTC) pharmaceutical products. Product detailing involves meeting face-to-face with targeted prescribers to provide a technical review of the product being promoted. Since the early 1990s, the United States pharmaceutical industry has increasingly used CSOs to provide detailing services to introduce new products and supplement existing sales efforts.

Given the customized nature of our business, we utilize a variety of contract structures. Historically, most of our product detailing contracts were fee-for-services, i.e., the client pays a fee for a specified package of services. These contracts typically include performance benchmarks, such as a minimum number of sales representatives or a minimum number of calls. More recently, our contracts tend to have a lower base fee but built-in incentives based on our performance. In these situations, we have the opportunity to earn additional fees based on enhanced program results.

Our product detailing contracts generally are for terms of one to three years and may be renewed or extended. However, the majority of these contracts are terminable by the client for any reason upon 30 to 90 days notice. These contracts typically provide for termination payments by the client upon a termination without cause. While the cancellation of a contract by a client without cause may result in the imposition of penalties on the client, these penalties may not act as an adequate deterrent to the termination of any contract. In addition, we cannot assure you that these penalties will offset the revenue we could have earned under the contract or the costs we may incur as a result of its termination. The loss or termination of a large contract or the loss of multiple contracts could adversely affect our future revenue and profitability.

Our product detailing contracts typically contain cross-indemnification provisions between us and our client. The client will usually indemnify us against product liability and related claims arising from the sale of the product and we indemnify the clients with respect to the errors and omissions of our sales representatives in the course of their detailing activities. To date, we have not asserted, nor has there been asserted against us, any claim for indemnification under any contract.

On February 2, 2001, GlaxoSmithKline exercised its right to terminate our fee for services contract. The termination will be effective April 18, 2001. As a result, we expect 2001 consolidated revenues to be reduced by approximately $45 million, and earnings per share to be reduced by $0.35 to $0.40 per share.

In June 2000, we formed LCV to compete more fully for pharmaceutical

commercialization opportunities. LCV undertakes performance-based sales, marketing and distribution assignments, taking over completely, or in cooperation with the client, the sales, marketing and distribution function of brands. This service has a broad target customer base, including all tiers of the pharmaceutical and biotechnology sectors. Over the next several years, we expect this new service offering to be an important contributor to our growth.

In October 2000, LCV signed a five-year agreement with GlaxoSmithKline for the exclusive U.S. marketing, sales and distribution rights for Ceftin Tablets and Ceftin for Oral Suspension (cefuroxime axetil), two dosage forms of a cephalosporin antibiotic. Ceftin is the top selling oral cephalosporin in the United States and throughout the world. Ceftin, which is indicated for acute bacterial respiratory infections such as acute sinusitis, bronchitis and otitis media, generated over $332 million in United States sales in 1999. GlaxoSmithKline retains some regulatory responsibilities for Ceftin and ownership of all intellectual property relevant to Ceftin and will continue to manufacture the product. The agreement with GlaxoSmithKline is cancelable by either party on 120 days written notice.

Under the agreement with GlaxoSmithKline, LCV is required to purchase certain minimum levels of Ceftin during each calendar quarter. In order to meet anticipated demand, LCV intends to maintain an inventory of Ceftin that we expect to average between $30 to $60 million. In the event our estimates of the demand for Ceftin are not accurate, or the timing on collections of Ceftin related receivables is slower than anticipated, the LCV-Ceftin transaction could have a material adverse impact on our results of operations, cash flows and liquidity.

In November 2000, LCV signed a five-year agreement with United Therapeutics Corporation under which LCV will provide a broad range of pre-launch and launch commercialization services for Beraprost, a compound under development for peripheral vascular disease.

Other recent developments

In the first quarter of 2000, we completed a public offering of 3,220,000 shares of common stock at a public offering price per share of $28.00, yielding net proceeds per share after deducting underwriting discounts of $26.35 (before deducting expenses of the offering). Of the shares offered, 1,609,312 shares were sold by us and 1,610,688 shares were sold by selling shareholders. Net proceeds to us after expenses of the offering were approximately $41.6 million.

In February 2000, we signed a three-year agreement with iPhysicianNet Inc. iPhysicianNet is creating an internet based detailing service that is intended to enhance communication between drug manufacturers and physicians. Under this agreement we were appointed as the exclusive CSO in the United States to be affiliated with the iPhysicianNet network, allowing iPhysicianNet and us to offer e-detailing capabilities to existing and potential clients. In connection with this agreement, we purchased $2.5 million worth of iPhysicianNet's preferred stock.

During the fourth quarter of 2000, we invested approximately $760,000 in In2Focus Sales Development Services Limited, a United Kingdom contract sales company. In2Focus intends to provide a full range of sales related services and technologies to the pharmaceutical industry.

Revenues and expenses

Our revenues are segregated between service and product sales for reporting purposes. Our operations are currently organized around three principal activities and business segments:

- contract sales programs;
- product sales; and
- marketing, research services.

Historically, we have derived a significant portion of our service revenue from a limited number of clients. However, concentration of business in the CSO industry is common and we believe that pharmaceutical companies will continue to outsource large projects as the CSO industry grows and continues to demonstrate

an ability to successfully implement large programs. Accordingly, we are likely to continue to experience significant client concentration in future periods with respect to our CSO segment. Nevertheless, over the last three years our client concentration has actually decreased. Our three largest clients accounted for approximately 62%, 71% and 74%, of our service revenue for 2000, 1999 and 1998, respectively. This decline in client concentration reflects our continued efforts to expand our client base. For the year ended December 31, 2000, revenue from sales of Ceftin primarily came from three major customers who accounted for approximately 61.9% of total net product revenue.

Service revenue and program expenses

Contract sales revenue is earned primarily by performing product detailing programs and other marketing and promotional services under contracts. Revenue is recognized as the services are performed and the right to receive payment for the services is assured. Revenue is recognized net of any potential penalties until the performance criteria eliminating the penalties have been achieved. Bonus and other performance incentives as well as termination payments are recognized as revenue in the period earned and when payment of the bonus, incentive or other payment is assured.

Program expenses consist primarily of the costs associated with executing a product detailing program or the other services identified in the contract. Program expenses include personnel costs and other costs, including facility rental fees, honoraria and travel expenses, associated with executing a product detailing or other marketing or promotional program, as well as the initial direct costs associated with staffing a product detailing program. Personnel costs, which constitute the largest portion of program expenses, include all labor related costs, such as salaries, bonuses, fringe benefits and payroll taxes for the sales representatives and sales managers and professional staff who are directly responsible for executing a particular program. Initial direct program costs are those costs associated with initiating a product detailing program, such as recruiting, hiring and training the sales representatives who staff a particular product detailing program. All personnel costs and initial direct program costs, other than training costs, are expensed as incurred for service offerings. Training costs include the costs of training the sales representatives and managers on a particular product detailing program so that they are qualified to properly perform the services specified in the related contract. Training costs are deferred and amortized on a straight-line basis over the shorter of the life of the contract to which they relate or 12 months. Expenses related to the product detailing of products we distribute (as discussed in the next section) are recorded as a selling expense and are included in other selling, general and administrative expenses in the consolidated statements of operations.

As a result of the revenue recognition and program expense policies described above, we may incur significant initial direct program costs before recognizing revenue under a particular product detailing contract. We typically receive an initial payment upon commencement of a product detailing program and, as appropriate, characterize that payment as compensation for recruiting, hiring and training services associated with staffing that program. This permits us to record the initial payment as revenue in the same period in which the costs of the services are expensed. Our inability to specifically provide in our product detailing contracts that we are being compensated for recruiting, hiring or training services could adversely impact our operating results for periods in which the costs associated with the product detailing services are incurred.

Product revenue and cost of goods sold

Product revenue is recognized when products are shipped and title to products is transferred to the customer. Provision is made at the time of sale for all discounts and estimated sales allowances. We prepare our estimates for sales returns and allowances, discounts and rebates based primarily on historical experience updated for changes in facts and circumstances, as appropriate.

Cost of goods sold includes all expenses for both product distribution costs and manufacturing costs of product sold. Inventory is valued at the lower of cost or fair value. Cost is determined using the first in, first out costing method. Inventory consists of only finished goods. Cost of goods sold and gross

margin on sales could fluctuate based on our quantity of product purchased, and our contractual unit costs including applicable discounts, as well as fluctuations in the selling price for our products including applicable discounts.

Corporate overhead and taxes

Selling, general and administrative expenses include compensation and general corporate overhead. Compensation expense consists primarily of salaries, bonuses, training and related fringe benefits for senior management and other administrative, marketing, finance, information technology and human resources personnel who are not directly involved with executing a particular program. Other selling, general and administrative expenses include corporate overhead such as facilities costs, depreciation and amortization expenses and professional services fees, as well as product detailing, marketing and promotional expenses associated with product sales.

From January 1, 1995 through May 1998, we were an S corporation for Federal and New Jersey state corporate income tax purposes. In addition, TVG was an S corporation from January 1, 1997 through May 1999. Accordingly, during those respective periods neither we nor TVG were subject to Federal corporate income taxes or state corporate income taxes at the regular corporate income tax rates. Our consolidated statement of operations data in the "Selected Financial Data" tables reflect a provision for income taxes on a pro forma basis as if we were required to pay Federal and state corporate income taxes during all periods presented.

Consolidated results of operations

The following table sets forth, for the periods indicated, selected statement of operations data as a percentage of revenue. The trends illustrated in this table may not be indicative of future operating results.

<TABLE>
<CAPTION>

	Year Ended December 31,				
Operating data	2000	1999	1998	1997	1996
<S>	<C>	<C>	<C>	<C>	<C>
Revenue					
Service, net	75.8%	100.0%	100.0%	100.0%	100.0%
Product, net	24.2	--	--	--	--
Total revenue, net	100.0	100.0	100.0	100.0	100.0
Cost of goods and services					
Program expenses	56.5	74.4	73.6	74.2	72.8
Cost of goods sold	16.5	--	--	--	--
Total cost of goods and services	73.0	74.4	73.6	74.2	72.8
Gross profit	27.0	25.6	26.4	25.8	27.2
Compensation expense	7.9	11.2	13.2	16.0	17.4
Bonus to majority stockholder	--	--	--	3.0	3.1
Stock grant expense	--	--	--	5.9	--
Other selling, general and administrative expenses	9.3	5.4	5.5	6.3	7.1
Acquisition and related expenses	--	0.7	--	--	--
Total general, selling and administrative expenses	17.2	17.3	18.7	31.2	27.6
Operating income (loss)	9.8	8.3	7.7	(5.4)	(0.4)
Other income, net	1.2	2.0	1.9	0.5	0.6
Income (loss) before provision for income taxes	11.0	10.3	9.6	(4.9)	0.2

Provision for income taxes	4.5	4.3	1.4	0.2	0.4
Net income (loss)	6.5%	6.0%	8.2%	(5.1)%	(0.2)%
Pro forma data (unaudited)					
Income (loss) before pro forma provision for income taxes		10.3%	9.6%	(4.9)%	0.2%
Pro forma provision for income taxes		4.4	3.8	--	0.1
Pro forma net income (loss)		5.9%	5.8%	(4.9)%	0.1%

</TABLE>

Comparison of 2000 and 1999

Revenue, net. Net revenue for 2000 was $416.9 million, an increase of 138.3% over revenue of $174.9 million for 1999. Net revenue from the CSO and marketing services segments for the year ended December 31, 2000 was $315.9 million, an increase of $141.0 million, or 80.6%, over net revenue from those segments of $174.9 million for the prior year. This increase was generated primarily from the continued renewal and expansion of product detailing programs from existing clients and the expansion of our client base. Net product revenue for the year ended December 31, 2000 was $101.0 million, all of which was attributable to sales of Ceftin.

Cost of goods and services. Cost of goods and services for the year ended December 31, 2000 were $304.4 million, an increase of 133.9% over cost of goods and services of $130.1 million for the year ended December 31, 1999. As a percentage of total net revenue, cost of goods and services decreased to 73.0% in 2000 from 74.4% in 1999, which decrease was almost entirely attributable to the lower cost of goods sold from our product sales and distribution segment. Program expenses (i.e., cost of services) for 2000 were $235.4 million, an increase of 80.9% over program expenses of $130.1 million for 1999. As a percentage of net CSO and marketing services revenue, program expenses for 2000 and 1999 were 74.5% and 74.4%, respectively. Cost of goods sold was $69.0 million for the year ended December 31, 2000. As a percentage of net product revenue, cost of goods sold for 2000 was 68.3%. Cost of goods sold and gross margin on sales could fluctuate based on our quantity of product purchased, and our contractual unit costs including applicable discounts, as well as fluctuations in the selling price for our products including applicable discounts.

Compensation expense. Compensation expense for 2000 was $32.8 million compared to $19.6 million for 1999. As a percentage of total net revenue, compensation expense decreased to 7.9% for 2000 from 11.2% for 1999. Compensation expense for the year ended December 31, 2000 attributable to the CSO and marketing services segments was $31.8 million compared to $19.6 million for the year ended December 31, 1999. As a percentage of net revenue from those segments, compensation expense decreased to 10.1% in 2000 from 11.2% in 1999, reflecting the continuing expense reduction leverage resulting from our continued rapid growth. Compensation expense for the year ended December 31, 2000 attributable to the product segment was $1.0 million, or 1.0% of product revenue. The low compensation expense for this segment contributed greatly to the overall reduction in compensation expense as a percentage of total net revenue.

Other selling, general and administrative expenses. Total other selling, general and administrative expenses were $38.8 million for the year ended December 31, 2000, an increase of 311.0% over other selling, general and administrative expenses of $9.4 million for 1999. As a percentage of total net revenue, total other selling, general and administrative expenses increased to 9.3% for 2000 from 5.4% for 1999. Other selling, general and administrative expenses attributable to CSO and marketing services for the year ended December 31, 2000 were $16.9 million, an increase of 79.8% over other selling, general and administrative expenses of $9.4 million attributable to those segments for 1999. As a percentage of net revenue from CSO and marketing services, other selling, general and administrative expenses were 5.4% for both the years. Other selling, general and administrative expenses attributable to the product segment for 2000 were $21.9 million, or 21.7% of net product revenue, greatly increasing

this category's impact on total other selling, general and administrative expenses as a percentage of total net revenue. Other selling, general and administrative expenses for net product revenue consists primarily of field selling costs and professional fees. Professional fee expenses were higher during 2000 than we anticipate they will be in future periods because of expenses incurred for the startup of LCV and the launch of the Ceftin distribution agreement.

Acquisition and related expenses. There were no acquisition and related expenses for the year ended December 31, 2000.

Operating income. Operating income for 2000 was $40.9 million, an increase of 182.4% over operating income of $14.5 million for 1999. As a percentage of total net revenue, operating income increased to 9.8% in 2000 from 8.3% in 1999. Operating income for 2000 for the CSO and marketing services segment was $31.8 million, an increase of 119.3% over the CSO and marketing services segments operating income in 1999 of $14.5 million. As a percentage of net revenue from the CSO and marketing services segments, operating income for the those segments increased to 10.1% from 8.3% in 1999. The increase was due primarily to the reduction of the compensation expense attributable to those segments for the year ended December 31, 2000 compared to the year ended December 31, 1999 and the absence of acquisition and related expense in 2000. Operating income for the product segment for 2000 was $9.1 million, or 9.0% of net product revenue.

Other income, net. Other income, net, for 2000 was $4.9 million, compared to other income, net of $3.5 million for 1999. Interest income of $7.4 million was the primary component of other income, net in 2000, compared to $3.6 million in 1999. The $3.8 million increase in interest income in 2000 over 1999 was partially offset by the $2.5 million loss recorded during the year resulting from our investment in iPhysicianNet.

Net income. Net income for 2000 was $27.0 million, an increase of 159.7% from net income of $10.4 million in 1999. The effective tax rate for 2000 was 40.9%, compared to an effective tax rate of 42.0% for 1999. The pro

forma 1999 effective tax rate was lower as a result of $1.2 million of non-deductible acquisition and related expenses.

Comparison of 1999 and 1998

Revenue, net. Net revenue for 1999 was $174.9 million, an increase of 46.5% over net revenue of $119.4 million for 1998. This increase in net revenue for 1999 was generated primarily from the continued renewal and expansion of product detailing programs from existing clients and the expansion of our client base, as well as the increase in marketing research services provided by TVG. Net revenue excludes $8.9 million of costs (approximately 4.8% of gross revenue) incurred by us for which we received direct reimbursement from our clients.

Cost of services. Program expenses for 1999 were $130.1 million, an increase of 48.1% over program expenses of $87.8 million for 1998. As a percentage of net revenue, program expenses increased to 74.4% for 1999 from 73.6% for 1998. This increase is due to our fastest growing service offering, product detailing, having lower gross profit margins, in general, than our other service offerings. Program expenses exclude $8.9 million of costs incurred by us for which we received direct reimbursement from our clients.

Compensation expense. Compensation expense for 1999 was $19.6 million compared to $15.8 million for 1998. As a percentage of net revenue, compensation expense decreased to 11.2% for 1999 from 13.2% for 1998. This percentage decrease reflects the continued selling, general and administrative expense leverage that we have realized through our expansion.

Other selling, general and administrative expenses. Other selling, general and administrative expenses were $9.4 million for 1999, an increase of 44.3% over other selling, general and administrative expenses of $6.5 million for 1998. As a percentage of net revenue, other selling, general and administrative expenses decreased slightly to 5.4% for 1999 from 5.5% for 1998.

Acquisition and related expenses. In 1999, we incurred $1.2 million of non-recurring acquisition and related expenses in connection with the

acquisition of TVG, which was accounted for as a pooling of interest. No such expenses were incurred in 1998. As a percentage of net revenue, acquisition and related expenses were 0.7% in 1999.

Operating income. Operating income for 1999 was $14.5 million, an increase of 56.4% over operating income of $9.3 million for 1998. As a percentage of net revenue, operating income increased to 8.3% in 1999 from 7.7% in 1998. The increase is due primarily to the reduction of compensation expense as a percentage of net revenue, which was partially offset by the increase in program expenses as a percentage of net revenue and the non-recurring expenses incurred in the acquisition of TVG and ProtoCall in 1999.

Other income, net. Other income, primarily net interest income, for 1999 was $3.5 million, compared to other income of $2.3 million for 1998. The increase was primarily due to the full year impact of the investment of the net proceeds of the IPO in May 1998, and the increase in net cash provided by operations for 1999.

Pro forma net income. Pro forma net income for 1999 was $10.3 million, an increase of 48.5% from pro forma net income of $6.9 million for 1998. Pro forma net income for both periods assumes that we were taxed for Federal and state income tax purposes as a C corporation during both periods. The pro forma effective tax rate for 1999 was 42.8% compared to a pro forma effective tax rate for 1998 of 40.0%.

Liquidity and capital resources

As of December 31, 2000 we had cash and cash equivalents of approximately $109.0 million and working capital of $120.7 million compared to cash and cash equivalents of approximately $57.8 million and working capital of $53.1 million at December 31, 1999.

For the year ended December 31, 2000, net cash provided by operating activities was $19.1 million. The main components of cash provided by operating activities were net income from operations of $27.0 million, offset by a

net cash outflow of $7.9 million from changes in "Other changes in assets and liabilities," which was almost totally attributable to the net working capital investment required for our Ceftin activities.

For the year ended December 31, 2000, net cash used in investing activities of $14.4 million consisted of $7.9 million in purchases of property and equipment, $3.2 million invested in iPhysicianNet and In2Focus, and $4.9 million of short-term investments. Cash used in investing activities was partially offset by the cash realized from the sale of short term investments of $1.6 million. Capital expenditures were funded out of cash generated from operations.

For the year ended December 31, 2000, net cash provided by financing activities was $46.6 million. This increase in cash is due to the net proceeds received from the secondary offering in first quarter 2000 of $41.6 million, $3.6 million in proceeds received from the employees' exercise of common stock options, and $1.4 million in cash received from the repayment of the stockholder loan.

Capital expenditures during the periods ended December 31, 2000, 1999, and 1998, were $7.9 million, $1.4 million and $2.2 million, respectively, and were funded out of cash generated from operations.

When we bill clients for services before they have been completed, billed amounts are recorded as unearned contract revenue, and are recorded as income when earned. When services are performed in advance of billing, the value of such services is recorded as unbilled costs and accrued profits. As of December 31, 2000, we had $23.8 million of unearned contract revenue and $3.0 million of unbilled costs and accrued profits. Substantially all deferred and unbilled costs and accrued profits are earned or billed, as the case may be, within 12 months of the end of the respective period.

We believe that our cash flows from operations and existing cash balances will be sufficient to meet our working capital and capital expenditure

requirements for the next twelve months.

Quarterly operating results

Our results of operations have varied, and are expected to continue to vary, from quarter-to-quarter. These fluctuations result from a number of factors including, among other things, the timing of commencement, completion or cancellation of major programs. In the future, our revenue may also fluctuate as a result of a number of additional factors, including the types of products we market and sell, delays or costs associated with acquisitions, government regulatory initiatives and conditions in the healthcare industry generally. Revenue, generally, is recognized as services are performed and products are shipped. Program costs, other than training costs, are expensed as incurred. As a result, we may incur substantial expenses associated with staffing a new detailing program during the first two to three months of a contract without recognizing any revenue under that contract. This could have an adverse impact on our operating results for the quarters in which those expenses are incurred. Costs of goods sold are expensed when products are shipped. We believe that because of these fluctuations, quarterly comparisons of our financial results cannot be relied upon as an indication of future performance.

The following table sets forth quarterly operating results for the eight quarters ended December 31, 2000:

<TABLE>
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	Quarter Ended							
	Mar 31, 2000	Jun 30, 2000	Sep 30, 2000	Dec 31, 2000	Mar 31, 1999	Jun 30, 1999	Sep 30, 1999	Dec 31, 1999
	(in thousands)							
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Revenue								
Service, net	$ 71,289	$ 75,789	$ 84,367	$ 84,422	$ 40,312	$ 41,006	$ 43,125	$ 50,459
Product, net	--	--	--	101,008	--	--	--	--
Total revenue, net	71,289	75,789	84,367	185,430	40,312	41,006	43,125	50,459
Cost of goods and services								
Program expenses	50,120	58,108	63,233	63,894	29,483	30,611	32,954	37,073
Cost of goods sold	--	--	--	68,997	--	--	--	--
Total cost of goods and services	50,120	58,108	63,233	132,891	29,483	30,611	32,954	37,073
Gross profit	21,169	17,681	21,134	52,539	10,829	10,395	10,171	13,386
Compensation expense	8,394	6,793	7,846	9,787	4,725	4,326	4,582	5,978
Other selling, general and administrative expenses	4,006	2,973	5,863	25,985	1,851	1,969	2,095	3,533
Acquisition and related expenses	--	--	--	--	--	1,335	406	(495)
Total selling, general and administrative expenses	12,400	9,766	13,709	35,772	6,576	7,630	7,083	9,016
Operating income	8,769	7,915	7,425	16,767	4,253	2,765	3,088	4,370
Other income	684	255	1,984	1,941	802	802	901	966
Income before provision for taxes	9,453	8,170	9,409	18,708	5,055	3,567	3,989	5,336
Provision for income taxes	3,839	3,332	3,701	7,840	1,733	1,535	1,794	2,477
Net income	$ 5,614	$ 4,838	$ 5,708	$ 10,868	$ 3,322	$ 2,032	$ 2,195	$ 2,859
Basic net income per share	$ 0.43	$ 0.36	$ 0.42	$ 0.79	$ 0.28	$ 0.17	$ 0.18	$ 0.24
Diluted net income per share	$ 0.43	$ 0.35	$ 0.41	$ 0.77	$ 0.27	$ 0.17	$ 0.18	$ 0.24
Weighted average number of shares:								
Basic	13,005	13,592	13,647	13,768	11,946	11,949	11,965	11,972
Diluted	13,183	13,744	13,961	14,174	12,179	12,156	12,179	12,166

</TABLE>

Effect of new accounting pronouncements

The Financial Accounting Standards Board released in June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This statement is effective for all fiscal quarters of all fiscal years beginning after June 15, 2000. This statement addresses the accounting for derivative instruments including certain derivative instruments embedded in other contracts and for hedging activities. In June 1999, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133" (SFAS 137). SFAS 137 defers the effective date of SFAS 133 for all fiscal quarters of all fiscal years beginning after June 15, 2000 (January 1, 2001 for the Company). In June 2000, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133" (SFAS 138). SFAS 138 amends the accounting and reporting standards of SFAS 133 for certain derivative instruments and certain hedging activities. The Company does not expect the adoption of these pronouncements to have a material effect on its earnings, comprehensive income and financial position.

Year 2000 compliance

During 1999, we undertook a project addressing the Y2K issue of computer systems and other equipment with embedded chips or processors not being able to properly recognize and process date-sensitive information after December 31, 1999. All phases of our Y2K project were completed by November 30, 1999. Through March 1, 2001, all of our internal operations have functioned normally. There have been no disruptions in business activities and therefore we have not had to implement any contingency plans. Additionally, our key business partners appear to be operating normally. We have not been made aware of any Y2K contingency planning being implemented by our key business partners. However, we are continually monitoring our operations and that of our key business partners to ensure Y2K compliance.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Our financial statements and required financial statement schedules are included herein beginning on page F-1.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURES

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS

Directors and executive officers

The following table sets forth the names, ages and positions of our directors, executive officers and key employees:

<TABLE>
<CAPTION>

Name	Age	Position
John P. Dugan	65	Chairman of the board of directors and director of strategic planning

Charles T. Saldarini..........................	37	Chief executive officer and vice chairman of the board of directors
Steven K. Budd................................	44	President and chief operating officer
Bernard C. Boyle..............................	56	Chief financial officer, executive vice president, secretary and treasurer
Robert R. Higgins.............................	58	Executive vice president-- client programs
Christopher Tama..............................	42	Executive vice president-- LifeCycle Ventures
Stephen Cotugno...............................	41	Executive vice president-- corporate development
John M. Pietruski(1)..........................	68	Director
Jan Martens Vecsi(1)..........................	57	Director
Gerald J. Mossinghoff(1)......................	65	Director

</TABLE>

- -----------------------
(1) Member of audit and compensation committees

John P. Dugan is our founder, chairman of the board of directors and director of strategic planning. He served as our president from inception until January 1995 and as our chief executive officer from inception until November 1997. In 1972, Mr. Dugan founded Dugan Communications, a medical advertising agency that later became known as Dugan Farley Communications Associates Inc. and served as its president until 1990. We were a wholly-owned subsidiary of Dugan Farley in 1990 when Mr. Dugan became our sole stockholder. Mr. Dugan was a founder and served as the president of the Medical Advertising Agency Association from 1983 to 1984. Mr. Dugan also served on the board of directors of the Pharmaceutical Advertising Council (now known as the Healthcare Marketing Communications Council, Inc.) and was its president from 1985 to 1986. Mr. Dugan received an M.B.A. from Boston University in 1964.

Charles T. Saldarini is our vice chairman and chief executive officer. Joining PDI in 1987, Mr. Saldarini has held positions of ever-increasing responsibility, becoming president of PDI in January 1995 and chief executive officer in November 1997, leading to his present role in June 2000. In his 13 years at PDI, his contributions have spanned the full range of the our development. He is responsible for establishing PDI's premier reputation and making PDI the largest contract sales organization in the United States. Mr. Saldarini is a frequent speaker on industry topics and an author, with numerous industry publications to his credit. Prior to working at PDI, Mr. Saldarini worked at Merrill Dow Pharmaceuticals. He received a B.A. in Political Science from Syracuse University in 1985.

Steven K. Budd is our president and chief operating officer. Since June 2000, Mr. Budd oversees the management of PDI's internal support functions, contributes to the development of PDI's strategic plans and serves on our executive business development team. Since joining PDI in April 1996 as vice president, Account Group Sales, he became executive vice president in July 1997 and chief operating officer in January 1998. From January 1994 through April 1995, Mr. Budd was employed by Innovex, Inc., as director of new business development. From 1989 through December 1993, he was employed by Professional Detailing Network (now known as Nelson Professional Sales, a division of Nelson Communications, Inc.), as vice president with responsibility for building sales teams and developing marketing strategies. Mr. Budd received a B.A. in History and Education from Susquehanna University in 1978.

Bernard C. Boyle has served as our chief financial officer and executive vice president since March 1997. In 1990, Mr. Boyle founded BCB Awareness, Inc., a firm that provided management advisory services, and served as its president until March 1997. During that period he was also a partner in Boyle & Palazzolo, Partners, an accounting firm. From 1982 through 1990 he served as controller and then chief financial officer and treasurer of

William Douglas McAdams, Inc., an advertising agency. From 1966 through 1971, Mr. Boyle was employed by the national accounting firm of Coopers & Lybrand L.L.P. as supervisor/senior audit staff. Mr. Boyle received a B.B.A. in Accounting from Manhattan College in 1965 and an M.B.A. in corporate finance from New York University in 1972.

Robert R. Higgins became our executive vice president-client programs in October 1998. He joined us as a district sales manager in August 1996 and became vice president in 1997. Mr. Higgins has over 30 years experience in the

pharmaceutical industry. From 1965 to 1995, Mr. Higgins was employed by Burroughs Wellcome Co., where he was responsible for building and managing sales teams and developing and implementing marketing strategies. After he left Burroughs Wellcome and before he joined us, Mr. Higgins was self-employed. Mr. Higgins received a B.S. in biology from Kansas State University in 1964, and an MBA from North Texas State University in 1971.

Christopher Tama joined us as executive vice president-LifeCycle Ventures in January 2000. Prior to joining us, Mr. Tama spent 19 years with Pharmacia & Upjohn, Searle and Novartis where he held various marketing and sales positions. Before joining us, Mr. Tama was with Pharmacia & Upjohn for 13 years. Most recently he was vice president-marketing for Novartis' central nervous system therapeutic area. His marketing and sales experience range many different therapeutic areas, both in primary care and specialty markets. He has extensive domestic and international experience and has launched 13 products throughout his career. He received his B.A. in Economics from Villanova University in 1981.

Stephen P. Cotugno became our executive vice president-corporate development in January 2000. He joined us as a consultant in 1997 and in January 1998 he was hired full time as vice president-corporate development. Prior to joining us, Mr. Cotugno was an independent financial consultant. He received his B.A. in finance and economics from Fordham University in 1981.

Gerald J. Mossinghoff became a director in May 1998. Mr. Mossinghoff is a former Assistant Secretary of Commerce and Commissioner of Patents and Trademarks of the Department of Commerce (1981 to 1985) and served as President of Pharmaceutical Research and Manufacturers of America from 1985 to 1996. Since 1997 he has been senior counsel to the law firm of Oblon, Spivak, McClelland, Maier and Newstadt of Arlington, Virginia. Mr. Mossinghoff has been a visiting professor of Intellectual Property Law at the George Washington University Law School since 1997 and Adjunct Professor of Law at George Mason University School of Law since 1997. Mr. Mossinghoff served as United States Ambassador to the Diplomatic Conference on the Revision of the Paris Convention from 1982 to 1985 and as Chairman of the General Assembly of the United Nations World Intellectual Property Organization from 1983 to 1985. He is also a former Deputy General Counsel of the National Aeronautics and Space Administration (1976 to 1981). Mr. Mossinghoff received an electrical engineering degree from St. Louis University in 1957 and a juris doctor degree with honors from the George Washington University Law School in 1961. He is a member of the Order of the Coif and is a Fellow in the National Academy of Public Administration. He is the recipient of many honors, including NASA's Distinguished Service Medal and the Secretary of Commerce Award for Distinguished Public Service.

John M. Pietruski became a director in May 1998. Since 1990 Mr. Pietruski has been the chairman of the board of Texas Biotechnology Corp., a pharmaceutical research and development company. He is a retired chairman of the board and chief executive officer of Sterling Drug Inc. where he was employed from 1977 until his retirement in 1988. Mr. Pietruski is a member of the boards of directors of Hershey Foods Corporation, GPU, Inc., and Lincoln National Corporation. Mr. Pietruski graduated Phi Beta Kappa with a B.S. in business administration with honors from Rutgers University in 1954 and currently serves as a regent of Concordia College.

Jan Martens Vecsi became a director in May 1998. Ms. Vecsi is the sister-in-law of John P. Dugan, our chairman. Ms. Vecsi was employed by Citibank, N.A. from 1967 through 1996 when she retired. Starting in 1984 she served as the senior human resources officer and vice president of the Citibank Private Bank. Ms. Vecsi received a B.A. in psychology and elementary education from Immaculata College in 1965.

Our board of directors is divided into three classes. Each year the stockholders elect the members of one of the three classes to a three-year term of office. Messrs. Dugan and Mossinghoff serve in the class whose term expires in 2001; Ms. Vecsi serves in the class whose term expires in 2002, and Messrs. Saldarini and Pietruski serve in the class whose term expires in 2003.

Our board of directors has an audit committee and a compensation committee. The audit committee reviews the scope and results of the audit and other services provided by our independent accountants and our internal controls. The compensation committee is responsible for the approval of

compensation arrangements for our officers and the review of our compensation plans and policies.

Section 16(a) of the Securities Exchange Act of 1934 requires our officers and directors, and persons who own more than ten percent of a registered class of our equity securities, to file reports of ownership and changes in ownership with the Securities and Exchange Commission ("SEC"). Officers, directors and greater than ten-percent stockholders are required by SEC regulation to furnish us with copies of all Section 16(a) forms they file. Based solely on review of the copies of such forms furnished to us, or written representations that no Forms 5 were required, we believe that all Section 16(a) filing requirements applicable to our officers and directors were complied with.

ITEM 11. EXECUTIVE COMPENSATION

Summary compensation. The following table sets forth certain information concerning compensation paid for services in all capacities awarded to, earned by or paid to our chief executive officer and the other four most highly compensated executive officers during 2000, 1999 and 1998 whose aggregate compensation exceeded $100,000.

<TABLE>
<CAPTION>

	Annual compensation			Long-term compensation		
Name and Principal Position	Salary	Bonus	Other annual compensation	Restricted stock awards$(1)	Shares of common stock underlying options	All other compensation
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Charles T. Saldarini President and chief executive officer						
2000...........	294,594	506,731	8,713	--	--	6,203
1999...........	283,254	450,000	5,657	--	--	2,145
1998...........	233,744	275,000	2,394	--	--	--
Stephen K. Budd Chief operating officer and executive vice president						
2000...........	225,000	243,003	2,891	104,144	--	4,744
1999...........	182,053	216,409	2,229	83,591	25,000	3,524
1998...........	168,678	178,000	2,302	--	--	3,373
Bernard C. Boyle Chief financial officer, executive vice president, secretary and treasurer						
2000...........	187,500	207,211	4,706	88,805	--	4,010
1999...........	167,975	180,180	3,350	77,220	20,000	3,256
1998...........	155,833	165,000	4,170	--	--	825
Robert R. Higgins Executive vice president						
2000...........	141,667	114,042	3,456	48,875	--	3,000
1999...........	125,567	73,238	1,977	31,387	15,000	2,396
1998...........	101,186	45,000	2,104	--	7,500	1,373
Christopher Tama(2) Executive vice president						
2000...........	167,708	210,000	1,828	90,000	5,000	--
1999...........	--	--	--	--	--	--
1998...........	--	--	--	--	--	--

</TABLE>

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(1) For the years ended December 31, 2000 and 1999, a portion of the named executive officers' annual bonus was paid in restricted stock. The number of shares were calculated by dividing the portion of bonus expense attributable to restricted stock by a trailing 20-day average stock price on December 31, 2000 and 1999, which was $99.42 and $27.25, respectively. The fair market value of the shares owned by the named executive officers on December 31, 2000 at the end of 2000, based upon the

closing price of our common stock of $105.766 on that date, was as follows: Mr. Budd -- $435,121.32 (4,114 shares); Mr. Boyle -- $394,084 (3,726 shares); Mr. Higgins -- $173,668 (1,642 shares); and Mr. Tama -- $95,718 (905 shares).

(2) Mr. Tama joined us as executive vice president in January 2000.

Option grants. The following table sets forth certain information regarding options granted by us in 2000 to each of the executives named in the Summary Compensation Table.

<TABLE>
<CAPTION>

Option Grants in Last Fiscal Year

	Individual Grants				Potential Realizable Value at Assumed Annual Rates of Stock Price Appreciation for Option Term (1)	
Name	Number of Shares Underlying Options Granted	Percent of Total Options Granted to Employees in Fiscal Year	Exercise Price ($/share)	Expiration Date	5%	10%
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Charles T. Saldarini............	--	--	--	--	--	--
Steven K. Budd.................	--	--	--	--	--	--
Bernard C. Boyle...............	--	--	--	--	--	--
Robert R. Higgins..............	--	--	--	--	--	--
Christopher Tama...............	5,000	1.8%	$29.53	1/17/10	$92,056	$235,316

</TABLE>

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(1) Potential realizable values are net of exercise price but before taxes, and are based on the assumption that our common stock appreciates at the annual rate shown (compounded annually) from the date of grant until the expiration date of the options. These numbers are calculated based on Securities and Exchange Commission requirements and do not reflect our projection or estimate of future stock price growth. Actual gains, if any, on stock option exercises are dependent on our future financial performance, overall market conditions and the option holder's continued employment through the vesting period. This table does not take into account any appreciation in the price of the common stock from the date of grant to the date of this Form 10-K.

Option exercises and year-end option values. The following table provides information with respect to options exercised by the Named Executive Officers during 2000 and the number and value of unexercised options held by the Named Executive Officers as of December 31, 2000.

<TABLE>
<CAPTION>

Aggregated Option Exercise in Last Fiscal Year and Year-End Option Values

			Number of Shares Underlying Unexercised Options at Fiscal Year-End		Value of Unexercised In-the-Money Options At Fiscal Year-End (2)	
Name	Shares Acquired on Exercise (#)	Value Realized (1)	Exercisable	Unexercisable	Exercisable	Unexercisable

<S>	<C>	<C>	<C>	<C>	<C>	<C>
Charles T. Saldarini	--	--	--	--	--	--
Steven K. Budd	39,189	$4,317,621	8,333	16,667	$ 654,821	$ 1,309,642
Bernard C. Boyle	22,992	2,693,979	6,667	13,333	523,857	1,047,713
Robert R. Higgins	10,000	909,832	--	12,500	--	1,010,200
Christopher Tama	--	--	--	5,000	--	381,180

</TABLE>

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(1) For the purposes of this calculation, value is based upon the difference between the exercise price of the options and the stock price at date of exercise.

(2) For the purposes of this calculation, value is based upon the difference between the exercise price of the exercisable and unexercisable options and the stock price at December 31, 2000 of $105.766 per share.

Employment contracts

In January 1998, we entered into an agreement with John P. Dugan providing for his appointment as chairman of the board and director of strategic planning. The agreement provides for an annual salary of $125,000, no cash bonuses and for participation in all executive benefit plans.

In April 1998, we entered into an employment agreement with Charles T. Saldarini providing for his employment, as president and chief executive officer for a term expiring on February 28, 2003 subject to automatic one-year renewals unless either party gives written notice 180 days prior to the end of the then current term of the agreement. The agreement provides for an annual base salary of $275,000 and for participation in all executive benefit plans. The agreement also provides that Mr. Saldarini will be entitled to bonus and incentive compensation awards as determined by the compensation committee. Further, the agreement provides, among other things, that, if

his employment is terminated without cause (as defined) or if Mr. Saldarini terminates his employment for good reason (as defined), we will pay him an amount equal to the salary which would have been payable over the unexpired term of his employment agreement.

In March 1998, we entered into employment agreements with each of Messrs. Boyle and Budd, providing for Mr. Boyle's employment as chief financial officer and Mr. Budd's employment as chief operating officer. Mr. Boyle's agreement terminates on December 31, 2001 and Mr. Budd's agreement terminates on March 31, 2002. Each agreement is subject to automatic one-year renewals unless either party gives written notice 180 days prior to the end of the then current term of the agreement. The agreements provide for an annual base salary of $165,000 for Mr. Boyle and $178,605 for Mr. Budd and for their participation in all executive benefit plans. The agreements also provide that Messrs. Boyle and Budd are entitled to bonus and incentive compensation awards as determined by the compensation committee. Each agreement also provides, among other things, that, if we terminate the employee's employment without cause (as defined) or the employee terminates his employment for good reason (as defined), we will pay the employee an amount equal to the salary which would have been payable over the unexpired term of the employment agreement.

In January 2000, we entered into an employment agreement with Mr. Tama providing for Mr. Tama's employment as executive vice president -- Life Cycle Ventures. Mr. Tama's agreement terminates on December 31, 2002. The agreement is subject to automatic one-year renewals unless either party gives written notice 180 days prior to the end of the then current term of the agreement. The agreements provide for an annual base salary of $175,000 and for Mr. Tama's participation in all executive benefit plans. The agreements also provide that Mr. Tama is entitled to bonus and incentive compensation awards as determined by the compensation committee. The agreement also provides, among other things, that, if we terminate the employee's employment without cause (as defined) or the employee terminates his employment for good reason (as defined), we will pay the employee an amount equal to the salary which would have been payable over the unexpired term of the employment agreement.

In September 2000, we entered into employment agreements with Mr. Cotugno providing for Mr. Cotugno's employment as executive vice president - corporate

development. Mr. Cotugno 's agreement terminates on August 31, 2002. The agreement is subject to automatic one-year renewals unless either party gives written notice 180 days prior to the end of the then current term of the agreement. The agreements provide for an annual base salary of $155,000 and for Mr. Cotugno's participation in all executive benefit plans. The agreements also provide that Mr. Cotugno is entitled to bonus and incentive compensation awards as determined by the compensation committee. The agreement also provides, among other things, that, if we terminate the employee's employment without cause (as defined) or the employee terminates his employment for good reason (as defined), we will pay the employee an amount equal to the salary which would have been payable over the unexpired term of the employment agreement.

Compensation committee interlocks and insider participation in compensation decisions

None of the directors serving on the compensation committee of the board of directors is employed by us. In addition, none of our directors or executive officers is a director or executive officer of any other corporation that has a director or executive officer who is also a member of our board of directors.

Stock compensation plans

2000 Omnibus Incentive Compensation Plan

On May 5, 2000 our board of directors approved our 2000 Omnibus Incentive Compensation Plan. The purpose of the Omnibus Plan is to provide a flexible framework that will permit the board to develop and implement a variety of stock-based incentive compensation programs based on our changing needs, our competitive market and the regulatory climate. The maximum number of shares as to which awards or options may at any time be granted under the Omnibus Plan is 1.5 million shares of the our common stock. The Omnibus Plan is administered by the compensation committee of the board, which is responsible for developing and implementing specific stock-based plans that are consistent with the intent and specific terms of the framework created by the Omnibus Plan. Eligible participants under the Omnibus Plan include our officers and other employees, members of our board, and outside consultants. The right to grant awards under the Omnibus Plan will terminate upon the expiration of 10 years after

the date the Omnibus Plan was adopted. No Participant may be granted more than 100,000 shares of company stock from all awards under the Omnibus Plan.

1998 Stock Option Plan

In order to attract and retain persons necessary for our success, in March 1998, our board of directors adopted our 1998 stock option plan reserving for issuance up to 750,000 shares. Officers, directors, key employees and consultants are eligible to receive incentive and/or non-qualified stock options under this plan. The plan, which has a term of ten years from the date of its adoption, is administered by the compensation committee. The selection of participants, allotment of shares, determination of price and other conditions relating to the purchase of options is determined by the compensation committee in its sole discretion. Incentive stock options granted under the plan are exercisable for a period of up to 10 years from the date of grant at an exercise price which is not less than the fair market value of the common stock on the date of the grant, except that the term of an incentive stock option granted under the plan to a stockholder owning more than 10% of the outstanding common stock may not exceed five years and its exercise price may not be less than 110% of the fair market value of the common stock on the date of the grant.

At December 31, 2000, options for an aggregate of 653,921 shares were outstanding under our stock option plans, including 25,000 granted to Steven Budd, our president and chief operating officer, 20,000 granted to Bernard Boyle, our chief financial officer, 12,500 granted to Robert Higgins, our executive vice president of client programs, 16,670 granted to Stephen Cotugno, our executive vice president of corporate development, 5,000 granted to Christopher Tama, our executive vice president - LifeCycle Ventures and 18,750 granted to each of Gerald J. Mossinghoff, John M. Pietruski and Jan Martens Vecsi, our outside directors. In addition, as of December 31, 2000, options to purchase 286,634 shares of common stock had been exercised.

Compensation of directors

Each non-employee director receives an annual director's fee of $20,000, payable quarterly in arrears, plus $1,000 for each meeting attended in person and $500 for each meeting attended telephonically and reimbursement for travel costs and other out-of-pocket expenses incurred in attending each directors' meeting. In addition, committee members receive $500 for each committee meeting attended in person and $200 for each committee meeting attended telephonically. Under our stock option plans, each non-employee director is granted options to purchase 10,000 shares upon first being elected to our board of directors. In addition, each non-employee director will receive options to purchase an additional 7,500 shares of common stock on the date of our annual stockholders' meeting. All options have an exercise price equal to the fair market value of the common stock on the date of grant and vest one-third on the date of grant and one-third at the end of each subsequent year of service on the board.

401(k) plan

We maintain two 401(k) retirement plans intended to qualify under sections 401(a) and 401(k) of the Internal Revenue Code. These 401(k) plans are defined contribution plans. Under one plan, we committed to make mandatory contributions to the 401(k) plan to match employee contributions up to a maximum of 2% of each participating employee's annual wages. Under the other 401(k) plan, we committed to match 100% of the first $1,250 contributed by each employee, 75% of the next $1,250, 50% of the next $1,250 and 25% of the next $1,250 contributed. In addition we can make discretionary contributions to this plan. Our contribution to the 401(k) plan for 2000 was approximately $1.2 million.

Limitation of directors' liability and indemnification

The Delaware General Corporation Law authorizes corporations to limit or eliminate the personal liability of directors of corporations and their stockholders for monetary damages for breach of directors' fiduciary duty of care. Our certificate of incorporation limits the liability of our directors to the fullest extent permitted by Delaware law.

Our certificate of incorporation provides mandatory indemnification rights to any officer or director who, by reason of the fact that he or she is an officer or director, is involved in a legal proceeding of any nature. These indemnification rights include reimbursement for expenses incurred by an officer or director in advance of the final disposition of a legal proceeding in accordance with the applicable provisions of the DGCL. We have been informed that, in the opinion of the Securities and Exchange Commission, indemnification for liabilities under the Securities Act is against public policy as expressed in the Securities Act and is, therefore, unenforceable.

There is no pending litigation or proceeding involving any of our directors, officers, employees or agents in which indemnification by us is required or permitted. We are not aware of any threatened litigation or proceeding that may result in a claim for indemnification.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth information regarding the beneficial ownership of our common stock as of March 23, 2001 by:

- o each person known to us to be the beneficial owner of more than 5% of our outstanding shares;
- o each of our directors;
- o each executive officer named in the Summary Compensation Table above;
- o all of our directors and executive officers as a group.

Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of common stock owned by them. All information with respect to beneficial ownership has been furnished to us by the respective stockholder. The address for each of Messrs. Dugan and Saldarini is c/o Professional Detailing, Inc., 10 Mountainview Road, Upper Saddle River, New Jersey 07458.

<TABLE>

<CAPTION>

Name of Beneficial Owner	Number of Shares Beneficially Owned(1)	Percentage of Shares Beneficially Owned
Executive officers and directors:		
John P. Dugan	4,909,878	35.4%
Charles T. Saldarini	800,000	5.8%
Steven K. Budd	113,848 (2)	*
Bernard C. Boyle	10,394 (3)	*
Robert Higgins	5,491	*
Christopher Tama	2,572 (4)	*
John M. Pietruski	14,500 (5)	*
Jan Martens Vecsi	12,500 (6)	*
Gerald J. Mossinghoff	12,500 (6)	*
All executive officers and directors as a group (11 persons)	5,783,501 (7)	41.6%
5% stockholders:		
Driehaus Capital Management, Inc(8) .... 25 East Erie Street Chicago, IL 60611-2703	878,513	6.3%
Navellier & Associates Inc(9) .... One East Liberty, Third Floor Reno, NV 89501	707,514	5.1%

</TABLE>

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* Less than 1%.

(1) Beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission. In computing the number of shares beneficially owned by a person and the percentage ownership of that person, shares of common stock subject to options and warrants held by that person that are currently exercisable or exercisable within 60 days of February 28, 2001 are deemed outstanding. Such shares, however, are not deemed outstanding for the purpose of computing the percentage ownership of any other person.
(2) Includes 8,333 shares issuable pursuant to options exercisable within 60 days of the date of this report.
(3) Includes 6,667 shares issuable pursuant to options exercisable within 60 days of the date of this report.
(4) Includes 1,667 shares issuable pursuant to options exercisable within 60 days of the date of this report.
(5) Includes 12,500 shares issuable pursuant to options exercisable within 60 days of the date of this report.
(6) Represents shares issuable pursuant to options exercisable within 60 days of the date of this report.
(7) Includes 54,170 shares issuable pursuant to options exercisable within 60 days of the date of this report.
(8) This information was derived from the Schedule 13g filed by the reporting person.
(9) This information was derived from the Schedule 13f filed by the reporting person.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

In connection with our efforts to recruit sales representatives, we place advertisements in various print publications. These ads are placed on our behalf through Boomer & Son, Inc., which receives commissions from the publications. Prior to 1998, B&S was wholly-owned by John P. Dugan, our chairman of the board. At the end of 1997 Mr. Dugan transferred his interest in B&S to his son, Thomas Dugan, and daughter-in-law, Kathleen Dugan.

John P. Dugan is not actively involved in B&S; however, his son, Thomas Dugan, is active in B&S. For the year ended December 31, 2000 we purchased $2.1 million of advertising through B&S and B&S received commissions of approximately $380,000. All ads were placed at the stated rates set by the publications in which they appeared. In addition, we believe that the amounts paid to B&S were no less favorable than would be available in an arms-length negotiated transaction with an unaffiliated entity.

Peter Dugan, the son of John P. Dugan, our chairman of the board, is employed by us as executive director of marketing. In 2000, compensation paid or accrued to Peter Dugan was $192,820.

In April 1998, we loaned $1.4 million to our president and chief executive officer, Charles T. Saldarini. The proceeds of this loan were used by Mr. Saldarini to pay income taxes relating to his receipt of shares of common stock in January 1997. This loan is for a term of three years, bears interest at a rate equal to 5.4% per annum payable quarterly in arrears and is secured by a pledge of the shares held by Mr. Saldarini. In February 2000, Mr. Saldarini repaid this loan in full.

PART IV

ITEM 14. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

The following documents are filed as part of this report:

(a)(1) Financial Statements - See Index to Financial Statements on page F-1 of this report.

(a)(2) Financial Statement Schedules

Schedule II: Valuation and Qualifying Accounts

Schedules not listed above have been omitted because the information required to be set forth therein is not applicable or is included elsewhere in the financial statements or notes thereto.

(a) (3) Exhibits

Exhibit No.	Description
3.1.	Certificate of Incorporation of Professional Detailing, Inc.(1)
3.2.	By-Laws of Professional Detailing, Inc.(1)
4.1.	Specimen Certificate Representing the Common Stock(1)
10.1.	Form of 1998 Stock Option Plan(1)
10.2	Form of 2000 Omnibus Incentive Compensation Plan(2)
10.3.	Office Lease for Upper Saddle River, NJ corporate headquarters(1)
10.4.	Form of Employment Agreement between the Company and Charles T. Saldarini(1)
10.5.	Agreement between the Company and John P. Dugan(1)
10.6.	Form of Employment Agreement between the Company and Steven K. Budd(1)
10.7.	Form of Employment Agreement between the Company and Bernard C. Boyle(1)
10.8.	Form of Employment Agreement between the Company and Christopher Tama*
10.9.	Form of Employment Agreement between the Company and Stephen Cotugno*
10.10.	Form of Loan Agreements between the Company and Steven Budd (3)
21.1.	Subsidiaries of the Registrant*
23.1.	Consent of PricewaterhouseCoopers LLP*
23.2	Consent of Grant Thornton LLP*

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*   Filed herewith

(1) Filed as an exhibit to our Registration Statement on Form S-1 (File No 333-46321), and incorporated herein by reference.

(2) Filed as an Exhibit to our definitive proxy statement dated May 10 2000, and incorporated herein by reference.

(3) Filed as an exhibit to our Annual Report on Form 10-K for the year ended December 31, 1999, and incorporated herein by reference.

(b) Reports on Form 8-K

We did not file any reports on Form 8-K during the Quarter ended December 31, 2000.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, as amended, the Registrant has duly caused this Form 10-K to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Upper Saddle River, State of New Jersey, on the 28th day of March, 2001.

PROFESSIONAL DETAILING, INC.

/s/ Charles T. Saldarini

Charles T. Saldarini,
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1934, as amended, this Form 10-K has been signed by the following persons in the capacities indicated and on the 28th day of March, 2001.

<TABLE>
<CAPTION>

Signature	Title
/s/ John P. Dugan ------------------------------------ John P. Dugan	Chairman of the Board of Directors
/s/ Charles T. Saldarini ------------------------------------ Charles T. Saldarini	Vice Chairman of the Board of Directors and Chief Executive Officer
/s/ Steven K. Budd ------------------------------------ Steven K. Budd	President and Chief Operating Officer
/s/ Bernard C. Boyle ------------------------------------ Bernard C. Boyle	Chief Financial Officer (principal accounting and financial officer)
/s/ Gerald J. Mossinghoff ------------------------------------ Gerald J. Mossinghoff	Director
/s/ John M. Pietruski ------------------------------------ John M. Pietruski	Director
/s/ Jan Martens Vecsi ------------------------------------	Director

Jan Martens Vecsi
</TABLE>

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS AND FINANCIAL STATEMENT SCHEDULES

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Report of Independent Accountants

To the Board of Directors and
Stockholders of Professional Detailing, Inc.

In our opinion, based upon our audits and the reports of other auditors, the accompanying consolidated financial statements listed in the index appearing under Item 14(a)(1) and 14(a)(2) on page 38, present fairly, in all material respects, the financial position of Professional Detailing, Inc. and its subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000, in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statement schedules listed in the index appearing under Item 14(a)(1) and 14(a)(2) on page 38, present fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements. These financial statements and financial statement schedules are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements and financial statement schedules based on our audits. We did not audit the financial statements of TVG, Inc. a wholly-owned subsidiary, which statements reflects revenues of $18,340,216 for the year ended December 31, 1998. Those statements were audited by other auditors whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for TVG, Inc. is based solely on the reports of the other auditors. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits and the reports of other auditors provide a reasonable basis for the opinion expressed above.

PricewaterhouseCoopers LLP

February 13, 2001

Report of Independent Certified Public Accountants

Shareholders and Board of Directors
TVG, Inc.

We have audited the accompanying balance sheet of TVG, Inc. (a Delaware corporation), as of December 31, 1998, and the related statement of income and comprehensive income, changes in shareholders' equity, and cash flows for the year then ended. These financial statements (not presented separately herein) are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above (not presented separately herein) present fairly, in all material respects, the financial position of TVG, Inc., as of December 31, 1998, and the results of its operations and its cash flows for the year then ended, in conformity with generally accepted accounting principles.

Grant Thornton LLP
Philadelphia, Pennsylvania

February 3, 1999

PROFESSIONAL DETAILING, INC.
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

<S>	December 31, 2000 <C>	1999 <C>
	(in thousands)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 109,000	$ 57,787
Short-term investments	4,907	1,677
Inventory, net	36,385	--
Accounts receivable, net of allowance for doubtful accounts of $250 and $0 as of December 31, 2000 and 1999, respectively	84,529	28,941
Unbilled costs and accrued profits on contracts in progress	2,953	2,258
Deferred training	4,930	999
Other current assets	4,541	2,439
Deferred tax asset	4,758	352
Total current assets	252,003	94,453
Net property, plant & equipment	9,965	3,707
Other long-term assets	8,257	4,800
Total assets	$ 270,225	$ 102,960
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 31,328	$ 6,034
Accrued rebates and sales discounts	24,368	--
Accrued incentives	19,824	10,361
Accrued salaries and wages	6,568	3,871

Unearned contract revenue	23,813	17,673
Other accrued expenses	25,382	3,370
Total current liabilities	131,283	41,309
Long-term liabilities:		
Deferred compensation	169	--
Deferred tax liability	663	575
Other long-term liabilities	--	256
Total long-term liabilities	832	831
Total liabilities	$ 132,115	$ 42,140
Commitments and contingencies (note 17)		
Stockholders' equity:		
Common stock, $.01 par value; 30,000,000 shares authorized; shares issued and outstanding, 2000 - 13,837,390; 1999 - 11,975,097; restricted $.01 par value; shares issued and outstanding, 2000 - 7,972; 1999 - 0	$ 138	$ 120
Preferred stock, $.01 par value, 5,000,000 shares authorized, no shares issued and outstanding	--	--
Additional paid-in capital	96,945	47,413
Additional paid-in capital, restricted	217	--
Retained earnings	41,654	14,634
Accumulated other comprehensive (loss) income	(34)	92
Unamortized compensation costs	(810)	--
Deferred compensation	--	(11)
Loan to officer	--	(1,428)
Total stockholders' equity	$ 138,110	$ 60,820
Total liabilities & stockholders' equity	$ 270,225	$ 102,960

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

PROFESSIONAL DETAILING, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>
<CAPTION>

	For The Years Ended December 31,		
	2000	1999	1998
	(in thousands, except for per share and statistical data)		
<S>	<C>	<C>	<C>
Revenue			
Service, net	$315,867	$174,902	$119,421
Product, net	101,008	--	--
Total revenue, net	416,875	174,902	119,421
Cost of goods and services			
Program expenses (including related party amounts of $2,117, $2,024 and $1,753 for the periods ended December 31, 2000, 1999 and 1998, respectively)	235,355	130,121	87,840
Cost of goods sold	68,997	--	--
Total cost of goods and services	304,352	130,121	87,840
Gross profit	112,523	44,781	31,581
Compensation expense	32,820	19,611	15,779

	2000	1999	1998
Other general, selling & administrative expenses	38,827	9,448	6,546
Acquisition and related expenses	--	1,246	--
Total general, selling & administrative expenses	71,647	30,305	22,325
Operating income	40,876	14,476	9,256
Other income, net	4,864	3,471	2,273
Income before provision for taxes	45,740	17,947	11,529
Provision for income taxes	18,712	7,539	1,691
Net income	$ 27,028	$ 10,408	$ 9,838
Basic net income per share	$ 2.00	$ 0.87	$ 0.92
Diluted net income per share	$ 1.96	$ 0.86	$ 0.91
Basic weighted average number of shares outstanding	13,503	11,958	10,684
Diluted weighted average number of shares outstanding	13,773	12,167	10,814

Pro forma data (unaudited) (note 19):	1999	1998
Income before provision for taxes, as reported	$ 17,947	$ 11,529
Pro forma provision for income tax	7,677	4,611
Pro forma net income	$ 10,270	$ 6,918
Pro forma basic net income per share	$ 0.86	$ 0.65
Pro forma diluted net income per share	$ 0.84	$ 0.64
Pro forma basic weighted average number of shares outstanding	11,958	10,684
Pro forma diluted weighted average number of shares outstanding	12,167	10,814

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

PROFESSIONAL DETAILING, INC.
STATEMENTS OF CASH FLOWS

<TABLE>
<CAPTION>

	For The Years Ended December 31,		
	2000	1999	1998
	(in thousands)		
<S>	<C>	<C>	<C>
Cash Flows From Operating Activities			
Net income from operations	$ 27,028	$ 10,408	$ 9,838
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	2,077	1,155	697
Deferred rent and compensation	--	(7)	(106)
Loss on disposal of equipment	--	--	88
Deferred compensation	11	45	45
Deferred taxes, net	(4,514)	642	(336)
Reserve for inventory obsolescence and bad debt	353	--	--
Loss on other investments	2,500	--	--
Other changes in assets and liabilities, net of acquisitions:			
(Increase) in accounts receivable	(55,838)	(19,071)	(1,750)
(Increase) in inventory	(36,488)	--	--
(Increase) decrease in unbilled costs	(695)	1,321	111

(Increase) decrease in deferred training	(3,931)	223	(815)
(Increase) in other current assets	(2,141)	(1,658)	(406)
(Increase) in other long-term assets	(2,931)	(469)	(543)
Increase in accounts payable	25,294	3,978	477
Increase in accrued rebates and sales discounts	24,368	--	--
Increase in accrued liabilities	11,567	3,960	4,792
Increase in unearned contract revenue	6,140	7,402	615
(Decrease) increase in payable to affiliate	--	(56)	56
Increase (decrease) in other current liabilities	26,394	(2,279)	2,453
Increase in other deferred compensation	169	--	--
(Decrease) in other long-term liabilities	(256)	--	(162)
Net cash provided by operating activities	19,107	5,594	15,054
Cash Flows From Investing Activities			
Sale of short-term investments	1,551	832	(1,189)
Purchase of short-term investments	(4,907)	--	--
Investments in In2Focus and iPhysicianNet	(3,260)	--	--
Purchase of property and equipment	(7,865)	(1,442)	(2,196)
Repayments of advances from affiliate	--	--	27
Cash paid for acquisition	--	(4,100)	--
Net cash used in investing activities	(14,481)	(4,710)	(3,358)
Cash Flows From Financing Activities			
Payments on note payable	--	--	(68)
Distributions to S corporation stockholders	(8)	(670)	(6,200)
Net proceeds from issuance of common stock	41,584	458	46,431
Net proceeds from exercise of stock options	3,583	--	--
Tax benefit relating to employee compensation programs	--	126	--
Loans from stockholders	--	--	(1,285)
Loan to stockholder	1,428	--	(1,428)
Repayments of stockholders loans	--	--	81
Net cash provided by (used in) financing activities	46,587	(86)	37,531
Net increase in cash and cash equivalents	51,213	798	49,227
Cash and cash equivalents - beginning	57,787	56,989	7,762
Cash and cash equivalents - ending	$ 109,000	$ 57,787	$ 56,989
Cash paid for interest	$ 19	$ 4	$ 29
Cash paid for taxes	$ 18,552	$ 7,864	$ 1,699

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

PROFESSIONAL DETAILING, INC.
STATEMENTS OF SHAREHOLDERS' EQUITY

<TABLE>
<CAPTION>

	Common Stock		Treasury Stock		Additional Paid in Capital	Retained Earnings (Deficit)
	Shares	Amount	Shares	Amount		
<S>	<C>	<C>	<C>	<C>	<C>	<C>
Balance - December 31, 1997	9,110	$ 91	389	$ (812)	$ 5,423	$ (2,926)
Net income for the year ended December 31, 1998						9,838
Unrealized investment holding (losses), net						

Comprehensive (loss)						
Issuance of common stock	3,225	32			46,399	
Stockholders' distribution					(4,184)	(2,016)
Amortization of deferred compensation expense						
Loan to officer						
Balance - December 31, 1998	12,335	123	389	(812)	47,638	4,896
Net income for the year ended December 31, 1999						10,408
Unrealized investment holding gains, net						
Comprehensive income						
Exercise of common stock options	29				458	
Retirement of TVG treasury shares	(389)	(3)	(389)	812	(809)	
Amortization of deferred compensation expense						
Stockholders' distribution						(670)
Tax benefit relating to employee compensation programs					126	
Balance - December 31, 1999	11,975	120	--	--	47,413	14,634
Net income for the year ended December 31, 2000						27,028
Unrealized investment holding losses, net of tax						
Comprehensive income						
Issuance of common stock	1,609	16			41,568	
Issuance of officers' restricted common stock	8				217	
Exercise of common stock options	253	2			3,581	
Tax benefit of nonqualified option exercise					4,383	
Amortization of deferred compensation expense						
Stockholders' distribution						(8)
Realized gain on sale of investment holdings						
Unamortized compensation costs						
Repayment of loan by officer						
Balance - December 31, 2000	13,845	$ 138	--	$ --	$ 97,162	$ 41,654

<CAPTION>

	Accumulated Other Comprehensive Income (Loss)	Deferred Compensation	Loan to Officer	Unamortized Compensation Costs	Total
Balance - December 31, 1997	$ 54	$ (102)	$ (81)	$ --	$ 1,647
Net income for the year ended December 31, 1998					9,838
Unrealized investment holding (losses), net	(49)				(49)
Comprehensive (loss)					9,789
Issuance of common stock					46,431
Stockholders' distribution					(6,200)
Amortization of deferred compensation expense		45			45
Loan to officer			(1,347)		(1,347)
Balance - December 31, 1998	5	(57)	(1,428)	--	50,365
Net income for the year ended December 31, 1999					10,408
Unrealized investment holding gains, net	87				87
Comprehensive income					10,495
Exercise of common stock options					458
Retirement of TVG treasury shares					--
Amortization of deferred compensation expense		46			46
Stockholders' distribution					(670)
Tax benefit relating to employee compensation programs					126
Balance - December 31, 1999	92	(11)	(1,428)	--	60,820

Net income for the year ended December 31, 2000					27,028
Unrealized investment holding losses, net of tax	(34)				(34)
Comprehensive income					26,994
Issuance of common stock					41,584
Issuance of officers' restricted common stock					217
Exercise of common stock options					3,583
Tax benefit of nonqualified option exercise					4,383
Amortization of deferred compensation expense			11		11
Stockholders' distribution					(8)
Realized gain on sale of investment holdings	(92)				(92)
Unamortized compensation costs				(810)	(810)
Repayment of loan by officer			1,428		1,428
Balance - December 31, 2000	$ (34)	$ --	$ --	$ (810)	$ 138,110

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements

1. Nature of Business and Significant Accounting Policies

Nature of Business

Professional Detailing, Inc. ("PDI" and, together with its wholly owned subsidiaries, the "Company") is a leading provider of comprehensive sales and marketing services on an outsourced basis to the United States pharmaceutical industry. See note 2 and 21.

Principles of Consolidation

The consolidated financial statements include accounts of PDI and its wholly owned subsidiaries LifeCycle Ventures, Inc. ("LCV"), TVG, Inc. ("TVG"), ProtoCall, Inc. ("ProtoCall"), and PDI Investment Company, Inc. ("PDII"). All significant intercompany balances and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles requires the Company to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates. Significant estimates include accrued incentives payable to employees, deferred taxes, allowances for bad debt and inventory obsolescence, sales returns and other sales rebates and discounts.

Revenue Recognition

Service Revenue

The Company uses a variety of contract structures with its clients. Product detailing contracts generally are for a term of one year, although some contracts have terms of up to three years. Generally, contracts provide for a fee to be paid to the Company based on its ability to deliver a specified package of services. In the case of product detailing programs, the Company may also be entitled to additional fees based upon the success of the program and/or subject to penalties for failing to meet stated performance benchmarks. Performance benchmarks usually are a minimum number of sales representatives or minimum number of calls. The Company's contracts also usually provide that it is entitled to a fee for each sales representative hired by the client during or at the conclusion of a program.

Most contracts may be terminated by the client for any reason on 30 to 90 days notice. Many of the Company's contracts provide for the client to pay the Company a termination fee if a contract is terminated without cause. These penalties may not act as an adequate deterrent to the termination of any contract and may not offset the revenue which the Company could have earned under the contract had it not been terminated and it may not be sufficient to

reimburse the Company for the costs which it may incur as a result of its termination. Contracts may also be terminated for cause if the Company fails to meet stated performance benchmarks. The loss or termination of a large contract or of multiple contracts could adversely affect the Company's future revenue and profitability. To date, no programs have been terminated for cause.

Revenue is earned primarily by performing services under contracts and is recognized as the services are performed and the right to receive payment for such services is assured. In the case of contracts relating to product detailing programs, revenue is recognized net of any potential penalties until the performance criteria eliminating the penalties have been achieved. Performance incentives as well as termination payments are recognized as revenue in the period earned and when payment of the incentive or other payment is assured.

Program expenses consist primarily of the costs associated with the execution of product detailing programs or other marketing and promotional services identified in the contract. Program expenses include all personnel costs and other costs, including facility rental fees, honoraria and travel expenses, associated with executing a product detailing or other marketing or promotional program, as well as the initial direct costs associated with staffing a product detailing program. Personnel costs, which constitute the largest portion of program expenses, include all labor related costs, such as salaries, bonuses, fringe benefits and payroll taxes for the sales representatives, managers and professional staff who are directly responsible for the rendering of services in connection with a particular program. Initial direct program costs are the costs associated with initiating a product detailing program, such as recruiting, hiring and training the sales representatives who staff a particular product detailing program. All

personnel costs and initial direct program costs, other than training costs, are expensed as incurred. Training costs include the costs of training the sales representatives and managers on a particular product detailing program so that they are qualified to properly render the services specified in the related contract. Training costs are deferred and amortized on a straight-line basis over the shorter of (i) the life of the contract to which they relate or (ii) 12 months. Expenses that are directly reimbursable are netted for income statement purposes. Expenses related to the product detailing of the Company's own product are classified in the other selling general and administrative expenses in the consolidated statements of operations.

Product Revenue

Product revenues are recognized when products are shipped and title to products is transferred to the customer. The Company has adopted Staff Accounting Bulletin (SAB) 101, Revenue Recognition in Financial Statements, the effects of which are immaterial for all periods presented. Provision is made at the time of sale for all discounts and estimated sales allowances. The Company prepares its estimates for sales returns and allowances, discounts and rebates based primarily on historical experience updated for changes in facts and circumstances, as appropriate.

Fair Value of Financial Instruments

The book values of cash and cash equivalents, contract payments receivable, accounts payable and other financial instruments approximate their fair values principally because of the short-term maturities of these instruments.

Unbilled Costs and Accrued Profits and Unearned Contract Revenue

In general, contractual provisions, including predetermined payment schedules or submission of appropriate billing detail, establish the prerequisites for billings. Unbilled costs and accrued profits arise when services have been rendered and payment is assured but clients have not been billed. These amounts are classified as a current asset. Normally, in the case of detailing contracts, the clients agree to pay the Company a portion of the fee due under a contract in advance of performance of services because of large recruiting and employee development costs associated with the beginning of a contract. The excess of amounts billed over revenue recognized represents unearned contract revenue, which is classified as a current liability.

Cash and Cash Equivalents

Cash and cash equivalents consist of unrestricted cash accounts, highly liquid investment instruments and certificates of deposit with an original maturity of three months or less at the date of purchase.

Investments

The Company accounts for investments under Statement of Financial Accounting Standards No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Available-for-sale investments are valued at fair market value based on quoted market values, with the resulting adjustments, net of deferred taxes, reported as a separate component of stockholders' equity as accumulated other comprehensive income. For the purposes of determining gross realized gains and losses, the cost of securities sold is based upon specific identification. The Company has certain other investments, which are included in other long-term assets. See Note 6.

Inventory

Inventory is valued at the lower of cost or fair value. Cost is determined using the first in, first out costing method. Inventory consists of only finished goods and is recorded net of a provision for obsolescence.

Property, Plant and Equipment

Property, plant and equipment are stated at cost. The estimated useful lives of asset classifications are five to ten years for furniture and fixtures and three to seven years for office equipment and computer equipment. Depreciation is computed using the straight-line method, and the cost of leasehold improvements is amortized over the shorter of the estimated service lives or the terms of the related leases. Repairs and maintenance are charged to expense as incurred. Upon disposition, the asset and related accumulated depreciation are removed from the related accounts

and any gains or losses are reflected in operations. Purchased computer software is capitalized and amortized over the software's useful life. Internally-developed software is also capitalized and amortized over its useful life in accordance with of the American Institute of Certified Public Accountants' (AICPA) Statement of Position (SOP) 98-1 "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use."

Stock-Based Compensation

Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation" allows companies a choice of measuring employee stock-based compensation expense based on either the fair value method of accounting or the intrinsic value approach under APB Opinion No. 25. The Company has elected to measure compensation expense based upon the intrinsic value approach under APB Opinion No. 25.

Advertising

The Company recognizes advertising costs as incurred. The total amounts charged to advertising expense were approximately $421,000, $267,000 and $240,000 for the years ended December 31, 2000, 1999 and 1998, respectively.

Shipping and Handling Costs

In 2000 the Company adopted Emerging Issues Task Force ("EITF") 00-10 "Accounting for Shipping and Handling Fees and Costs." EITF 00-10 requires costs billed to customer for shipping and handling to be included in net revenue. The Company records the costs incurred for shipping and handling in cost of goods sold.

Income Taxes

The Company applies an asset and liability approach to accounting for income taxes. Deferred tax liabilities and assets are recognized for the

expected future tax consequences of temporary differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the years in which the differences are expected to reverse. A valuation allowance is recorded if it is more likely than not that a deferred tax asset will not be realized.

Reclassifications

Certain reclassifications have been made to conform prior periods' data to the current year presentation.

2. New Business

LifeCycle Ventures, Inc., was incorporated in June 2000 as a wholly-owned subsidiary of PDI. The LCV service offering provides pharmaceutical manufacturers with a new approach toward managing the resource constraints inherent in a large product portfolio. The mounting pressure to launch new drugs and quickly maximize sales of products in the growth phase of their lifecycles often leaves other products that could benefit from intensified sales and marketing efforts. LCV helps to maximize the sales and profit potential of these products by funding and managing the marketing, sales and distribution efforts for the products in return for performance based compensation.

In October 2000, our wholly owned subsidiary, LifeCycle Ventures, Inc. (LCV), signed a five-year agreement with Glaxo Wellcome Inc., ("Ceftin Agreement") extending through December 31, 2005, for the exclusive U.S. marketing, sales and distribution rights for Ceftin Tablets and Ceftin for Oral Suspension (cefuroxime axetil), two dosage forms of a cephalosporin antibiotic. Ceftin is indicated for acute bacterial respiratory infections such as acute sinusitis, bronchitis and otitis media. Glaxo Wellcome retains certain regulatory responsibilities for Ceftin and ownership of all intellectual property relevant to Ceftin. Glaxo Wellcome will continue to manufacture the product.

3. Public Offerings of Common Stock

In May 1998, the Company completed its initial public offering (the "IPO") of 3,220,000 shares of common stock (including 420,000 shares in connection with the exercise of the underwriters' over-allotment option) at a price

per share of $16.00. Net proceeds to the Company after expenses of the IPO were approximately $46.4 million. The Company made a distribution of $5.8 million to the S corporation stockholders, representing stockholders' equity of the Company as of March 31, 1998, plus the earnings of the Company from April 1, 1998 to May 18, 1998.

On January 26, 2000, the Company completed a public offering of 2,800,000 shares of common stock at a public offering price per share of $28.00, yielding net proceeds per share after deducting underwriting discounts of $26.35 (before deducting expenses of the offering). Of the shares offered, 1,399,312 shares were sold by the Company and 1,400,688 shares were sold by certain selling shareholders. In addition, in connection with the exercise of the underwriters' over-allotment option, an additional 420,000 shares were sold to the underwriters on February 1, 2000 on the same terms and conditions (210,000 shares were sold by the Company and 210,000 shares were sold by a selling shareholder). Net proceeds to the Company after expenses of the offering were approximately $41.6 million.

4. Acquisitions

On May 12, 1999, PDI and TVG signed a definitive agreement pursuant to which PDI acquired 100% of the capital stock of TVG in a merger transaction. In connection with the transaction, PDI issued 1,256,882 shares of common stock in exchange for the outstanding shares of TVG. The acquisition has been accounted for as a pooling of interest and, accordingly, all periods presented in the accompanying consolidated financial statements prior to 2000 have been restated to include the accounts and operations of TVG.

The results of operations previously reported by separate enterprises and the combined amounts presented in the accompanying consolidated financial

statements are summarized below.

	Three Months Ended March 31, 1999	Year Ended December 31, 1998
	(in thousands)	
Revenue:		
PDI	$ 34,581	$101,081
TVG	5,731	18,340
Combined	$ 40,312	$119,421
Net income (loss):		
PDI	$ 2,696	$ 9,492
TVG	626	346
Combined	$ 3,322	$ 9,838

In August 1999, the Company, through its wholly-owned subsidiary, ProtoCall, Inc. ("ProtoCall"), acquired substantially all of the operating assets of ProtoCall, LLC, a leading provider of syndicated contract sales services to the United States pharmaceutical industry. The purchase price was $4.5 million plus up to an additional $3.0 million in contingent payments payable if ProtoCall achieves defined performance benchmarks. The Company made the final contingent payment of approximately $147,000 in the first quarter of 2001. This acquisition was accounted for as a purchase. In connection with this transaction, the Company recorded $4.3 million in goodwill (included in other long-term assets) which is being amortized using the straight-line method over a period of 10 years.

5. Short-Term Investments

At December 31, 2000, short-term investments were $4.9 million, including approximately $231,000 of investments classified as available for sale securities. At December 31, 1999, short-term investments of $1.7 million were classified as available for sale securities. The unrealized after-tax gain/(loss) on the available for sale securities is included as a separate component of stockholders' equity as accumulated other comprehensive income. All other short term investments are stated at cost, which approximates fair value.

6. Other Investments

In February 2000, the Company signed a three-year agreement with iPhysicianNet Inc. ("iPhysicianNet"). In connection with this agreement, the Company made an investment of $2.5 million in preferred stock of iPhysicianNet. Under the agreement, the Company was appointed as the exclusive contract sales organization in the

United States to be affiliated with the iPhysicianNet network, prospectively allowing the Company to offer e-detailing capabilities to its existing and potential clients. For the year ended December 31, 2000, the Company recorded net losses under the equity method related to this investment of $2.5 million included in other income, net, which represented its share of iPhysicianNet's losses until the investment was reduced to zero. The Company has no further commitments under this agreement.

In the fourth quarter of 2000, the Company made an investment of approximately $760,000 in convertible preferred stock of In2Focus, Inc., a United Kingdom contract sales company. The Company recorded this investment under the cost method.

7. Historical and Pro Forma Basic and Diluted Net Income/Loss Per Share

Historical and pro forma basic and diluted net income/loss per share is calculated based on the requirements of SFAS No. 128, "Earnings Per Share."

A reconciliation of the number of shares used in the calculation of basic and diluted earnings per share for the years ended December 31, 2000, 1999 and 1998 is as follows:

	Years Ended December 31,		
	2000	1999	1998
	(in thousands)		
Basic weighted average number of common shares outstanding	13,503	11,958	10,684
Dilutive effect of stock options	270	209	130
Diluted weighted average number of common shares outstanding	13,773	12,167	10,814

Outstanding options at December 31, 1999 to purchase 34,562 shares of common stock with an exercise price of $29.88 per share were not included in the 1999 computation of historical and pro forma diluted net income per share because to do so would have been antidilutive.

8. Property, Plant and Equipment

Property, plant and equipment consists of the following as of December 31, 2000 and 1999:

	December 31,	
	2000	1999
	(in thousands)	
Furniture and fixtures	$ 2,574	$ 1,339
Office equipment	2,357	1,962
Computer equipment	10,044	3,945
Leasehold improvements	953	892
Total property, plant and equipment	15,928	8,138
Less accumulated depreciation and amortization	(5,963)	(4,431)
Property, plant and equipment, net	$ 9,965	$ 3,707

9. Operating Leases

The Company leases facilities, automobiles and certain equipment under agreements classified as operating leases which expire at various dates through 2005. Lease expense under these agreements for the years ended December 31, 2000 and 1999 was approximately $16.1 million and $6.5 million, respectively, of which $14.0 million in 2000 and $5.1 million in 1999 related to automobiles leased for employees for a term of one-year from the date of delivery. The total lease expense for 1998 was $780,410. In the fourth quarter of 1998, the Company instituted a leasing program providing most field representatives with an automobile.

The Company entered into a new facilities lease in May 1998 for a term

that expires in the fourth quarter of 2004, with an option to extend for an additional five years, for the premises which house its corporate headquarters. TVG's office lease is for seven years and commenced in August 1993. TVG extended their office lease for an additional five years in September 2000. ProtoCall's office lease is for five years and commenced in April 2000. LCV's office lease commenced in October 2000 which expires July 2003. In July 2000, we signed a lease for additional office space for PDI in Mahwah, New Jersey, commencing in September 2000 and expiring in March 2003. The Company records lease expense on a straight line basis over the lease term.

As of December 31, 2000, the aggregate minimum future rental payments required by non-cancelable operating leases with initial or remaining lease terms exceeding one year are as follows:

	(in thousands)
2001	$ 3,121
2002	3,096
2003	2,506
2004	2,086
2005	728
Total	$ 11,537

10. Significant Customers

Service and other

During 2000, 1999 and 1998 the Company had several significant customers for which it provided services under specific contractual arrangements. The following sets forth the service and other revenue generated by customers who accounted for more than 10% of the Company's service and other revenue during each of the periods presented.

Customers	Years Ended December 31, 2000	1999	1998
	(in thousands)		
A	$90,976	$52,359	$25,272
B	67,071	33,781	32,008
C	37,038	38,101	31,576

At December 31, 2000 and 1999, these customers represented 61.7% and 63.4%, respectively, of the aggregate of outstanding service accounts receivable and unbilled services. The loss of any one of the foregoing customers could have a material adverse effect on the Company's financial position, results of operations, and cash flows.

Product

During 2000, the Company had several significant customers for which it provided products related to its distribution arrangement with GlaxoWelcome. The following sets forth the product revenue generated by customers who accounted for more than 10% of the Company's product revenue during the year ended December 31, 2000.

<TABLE>
<CAPTION>
Year Ended
December 31,

Customers	2000
	(in thousands)
A.	$31,733
B.	16,263
C.	14,562

At December 31, 2000 these customers represented 48.4% of aggregated outstanding net product accounts receivable. The loss of any one of the forgoing customers could have a material adverse effect on the Company's financial position, results of operations, and cash flows.

11. Related Party Transactions

The Company purchases certain print advertising for initial recruitment of representatives through a company that is wholly-owned by family members of the Company's largest stockholder. The net amounts charged to the Company for these purchases totaled approximately $2.1 million, $2.0 million and $1.8 million for the years ended December 31, 2000, 1999 and 1998.

12. Income Taxes

PDI was treated as an S corporation for Federal and state income tax purposes until its initial public offering in May 1998. TVG was treated as an S corporation in 1997, 1998 and through the time of merger with PDI in May 1999. Consequently, during the periods in which TVG and PDI were treated as S corporations, they were not subject to Federal income taxes and they were not subject to state income tax at the regular corporate rates. See note 20.

The provisions for income taxes for the years ended December 31, 2000, 1999 and 1998 are summarized as follows:

	2000	1999	1998
	(in thousands)		
Current:			
Federal	$ 18,993	$ 6,027	$ 1,631
State	4,233	870	397
Total current	23,226	6,897	2,028
Deferred	(4,514)	642	(337)
Provision for income taxes	$ 18,712	$ 7,539	$ 1,691

A reconciliation of the difference between the Federal statutory tax rates and the Company's effective tax rate is as follows:

	2000	1999	1998
Federal statutory rate	35.0%	35.0%	34.0%
State income tax rate, net of Federal benefit	5.3	4.1	4.0
Effect of S corporation status	--	(1.6)	(24.0)
Non-deductible acquisition expenses	(0.4)	2.4	--
Valuation allowance	1.9	--	--
Other	(0.9)	2.1	0.7
Effective tax rate	40.9%	42.0%	14.7%

The tax effects of significant items comprising the Company's deferred tax assets and (liabilities) as of December 31, 2000 and 1999 are as follows:

	2000	1999
Deferred tax assets (liabilities)-- current		
Allowances and reserves	$ 3,251	$ 145
Inventory	1,059	0
Compensation	169	142
Other	280	97
	-------	-----
	$ 4,759	$ 384
	-------	-----
Deferred tax assets (liabilities) -- non current		
Property, plant and equipment	$ (664)	$(449)
State taxes	93	(119)
Intangible assets	142	0
Equity investment	989	0
Valuation Allowance on Deferred Tax Assets	(989)	0
	-------	-----
	$ (429)	$(568)
	-------	-----
Net deferred tax asset	$ 4,330	$(184)
	-------	-----

For the year ended December 31, 2000 the Company has recorded a valuation allowance of $989,000 against the deferred tax asset related to the Company's equity investment since management does not consider it more likely than not that such deferred tax asset will be realized. No valuation allowance was recorded for the years ended December 31, 1999 and 1998.

13. Preferred Stock

The Company's board of directors is authorized to issue, from time to time, up to 5,000,000 shares of preferred stock in one or more series. The board is authorized to fix the rights and designation of each series, including dividend rights and rates, conversion rights, voting rights, redemption terms and prices, liquidation preferences and the number of shares of each series. As of December 31, 2000 and 1999, there were no issued and outstanding shares of preferred stock.

14. Loans to Stockholders/Officers

The Company loaned $1.4 million to its President and Chief Executive Officer, Charles T. Saldarini in April 1998. The proceeds of this loan were used by Mr. Saldarini to pay income taxes relating to his receipt of shares of common stock. Such loan was for a term of three years, bore interest at a rate equal to 5.4% per annum payable quarterly in arrears and was secured by a pledge of the shares of common stock held by Mr. Saldarini. This loan was repaid by Mr. Saldarini in February 2000.

In November 1998, the Company agreed to lend $250,000 to an executive officer of which $100,000 was funded in November 1998, and the remaining $150,000 was funded in February 1999. This amount was recorded in other long-term assets. Such loan is payable on December 31, 2008 and bears interest at a rate of 5.5% per annum, payable quarterly in arrears.

15. Retirement Plans

During 2000, 1999 and 1998, the Company provided its employees with two qualified profit sharing plans with 401(k) features. Under one plan, the Company expensed contributions of approximately $975,000, $533,000 and $310,000 for the years ended December 31, 2000, 1999 and 1998, respectively. Under this plan, the Company is required to make mandatory contributions each year equal to 100% of the amount contributed by each employee up to 2% of the employee's wages. Any additional contribution to this plan is at the discretion of the Company.

Under the other 401(k) plan, the Company expensed contributions of approximately $195,000, $346,000 and $346,000 for the years ended December 31, 2000, 1999 and 1998, respectively. Effective January 1, 1998, the

Company matched 100% of the first $1,250 contributed by each employee, 75% of the next $1,250, 50% of the next $1,250 and 25% of the next $1,250 contributed. In addition the Company can make discretionary contributions.

In 1995, TVG established a deferred compensation plan (the "Plan") covering full-time employees who meet certain eligibility criteria as defined in the Plan. Participants become eligible to receive distributions from the Plan equal to 25% of their net balance after receiving three annual contribution pledges. Upon retirement from the Company or death, the participant or their beneficiaries receive the remaining balance in four equal annual installments. All forfeitures and interest are credited to the Company. Compensation expense recognized in 1999 and 1998 related to the Plan was $79,113 and $260,009, respectively. This plan was terminated upon the acquisition of TVG on May 12, 1999.

16. Deferred Compensation Arrangements

Beginning in 2000, the Company established a deferred compensation arrangement whereby a portion of certain employees salaries are withheld and placed in a Rabbi Trust. The plan permits the employees to diversify these assets through a variety of investment options. The Company adopted the provisions of Emerging Issues Task Force ("EITF") 97-14 "Accounting for Deferred Compensation Arrangement Where Amounts are Earned and Held in a Rabbi Trust and Invested" which requires the Company to consolidate into its financial statements the net assets of the trust. The deferred compensation obligation has been classified as a long term liability and is adjusted, with the corresponding charge or credit to compensation expense, to reflect changes in fair value of the amounts owed to the employee. The assets in the trust are classified as available for sale. The credit to compensation expense due to a decrease of the market value of the investments was $58,852 during 2000. The total value of the Rabbi Trust at December 31, 2000 was approximately $231,000.

In 2000 the Company established a Long-Term Incentive Compensation Plan whereby certain employees are required to take a portion of their bonus compensation in the form of restricted common stock. The restricted shares vest on the third anniversary of the grant date and are subject to accelerated vesting and forfeiture under certain circumstances. The Company recorded deferred compensation costs of approximately $800,000 during 2000, which will be amortized over the three-year vesting period. The unamortized compensation costs have been classified as a separate component of stockholders' equity.

17. Commitments and Contingencies

The Company is engaged in the business of detailing pharmaceutical products, and, through LCV is also in the business of distributing product under the Ceftin agreement. Such activities could expose the Company to risk of liability for personal injury or death to persons using such products. While the Company has not been subject to any claims or incurred any liabilities due to such claims, there can be no assurance that substantial claims or liabilities will not arise in the future. The Company seeks to reduce its potential liability under its service agreement through measures such as contractual indemnification provisions with clients (the scope of which may vary from client to client, and the performances of which are not secured) and insurance. The Company could, however, also be held liable for errors and omissions of its employees in connection with the services it performs that are outside the scope of any indemnity or insurance policy. The Company could be materially adversely affected if it were required to pay damages or incur defense costs in connection with a claim that is outside the scope of the indemnification agreements; if the indemnity, although applicable, is not performed in accordance with its terms; or if the Company's liability exceeds the amount of applicable insurance or indemnity.

In connection with the Glaxo Wellcome Ceftin agreement, the Company has product purchase commitments. The Company is required to purchase certain minimum levels of product, in various dosage forms, during each calendar quarter of the agreement. This agreement is cancelable by either party upon not less than 120 days written notice. The quarterly commitments range from $40.1 million to $77.9 million over the five year period. As of December 31, 2000, the total non-cancelable commitment outstanding is $91.6 million.

From time to time the Company is involved in litigation incidental to its business. The Company is not currently a party to any pending litigation which, if decided adversely to the Company, would have a material adverse effect on the business, financial condition, results of operations or cash flows of the Company.

18. Stock Option Plans

On May 5, 2000 the Board of Directors (the "Board") approved the Professional Detailing, Inc. 2000 Omnibus Incentive Compensation Plan (the "2000 Plan"). The purpose of the 2000 Plan is to provide a flexible framework that will permit the Board to develop and implement a variety of stock-based incentive compensation programs based on changing needs of the Company, its competitive market, and regulatory climate. The maximum number of shares as to which awards or options may at any time be granted under the 2000 Plan is 1.5 million shares of the Company's Common Stock. Eligible participants under the 2000 Plan shall include officers and other employees of the Company, members of the Board, and outside consultants, as specified under the 2000 Plan and designated by the Compensation Committee of the Board of Directors. The right to grant Awards under the 2000 Plan will terminate upon the expiration of 10 years after the date the 2000 Plan was adopted. No Participant may be granted more than 100,000 options of Company Stock from all Awards under the 2000 Plan.

In March 1998, the Board of Directors of the Company adopted its 1998 Stock Option Plan (the "1998 Plan") which reserves for issuance up to 750,000 shares of its common stock, pursuant to which officers, directors and key employees of the Company and consultants to the Company are eligible to receive incentive and/or non-qualified stock options. The 1998 Plan, which has a term of ten years from the date of its adoption, is administered by a committee designated by the Board of Directors. The selection of participants, allotment of shares, determination of price and other conditions relating to the purchase of options is determined by the committee, in its sole discretion. Incentive stock options granted under the 1998 Plan are exercisable for a period of up to 10 years from the date of grant at an exercise price which is not less than the fair market value of the common stock on the date of the grant, except that the term of an incentive stock option granted under the 1998 Plan to a shareholder owning more than 10% of the outstanding common stock may not exceed five years and its exercise price may not be less than 110% of the fair market value of the common stock on the date of the grant. Options are exercisable either at the date of grant or in ratable installments over a period from one to three years. In January 1997, the Company adopted its 1997 Stock Option Plan (the "1997 Plan") which was incorporated into the 1998 Plan March 1998.

At December 31, 2000, options for an aggregate of 653,921 shares were outstanding under the Company's stock option plans. In addition, as of December 31, 2000, options to purchase 286,634 shares of common stock had been exercised.

The activity for the 2000 and 1998 Plans during the years ended December 31, 1998, 1999 and 2000 is set forth in the table below:

<TABLE>
<CAPTION>

<S>	Number of shares <C>	Exercise price per share <C>	Weighted average exercise price <C>
Options outstanding at December 31, 1997	67,181	$ 1.61	$ 1.61
Granted	367,668	16.00	16.00
Exercised	(5,000)	1.61	1.61
Terminated	(6,331)	16.00	16.00
Options outstanding at December 31, 1998	423,518	1.61 - 16.00	13.89
Granted	252,712	27.00 - 29.88	27.58
Exercised	(28,653)	16.00	16.00
Terminated	(14,743)	16.00 - 29.88	18.64

Options outstanding at December 31, 1999	632,834	1.61 - 29.88	19.15
Granted	301,560	27.19 -80.00	78.57
Exercised	(252,981)	1.61 - 29.88	14.16
Terminated	(27,492)	16.00 - 29.88	22.36
Options outstanding at December 31, 2000	653,921	$16.00 - 80.00	$ 46.60

</TABLE>

During 1997, there were two grants of stock options to officers of the Company below the fair market value on the grant date, one in January for 39,189 shares at an exercise price of $1.61 and one in March for 27,992 shares at an exercise price of $1.61. In connection with the grant of such options, the Company amortized approximately $144,000 of compensation expense over the expected vesting period. The options vested as follows: one-third became exercisable on the date of the IPO (the "Initial Exercise Date"), another third became exercisable on the first anniversary of the Initial Exercise Date and the final third became exercisable on the second anniversary of the Initial

Exercise Date. Compensation expense of approximately $11,000, $45,000 and $45,000 was recognized for the years ended December 31, 2000, 1999 and 1998, respectively. All other grants of stock options were at a price not less than the fair market value on the date of grant, and, therefore the Company has not recognized any compensation expense related to those options.

The following table summarizes information about stock options outstanding at December 31, 2000:

<TABLE>
<CAPTION>

Options Outstanding			Options Exercisable	
Exercise price per share	Number of options outstanding	Remaining contractual life (years)	Number of options exercisable	Exercise price
$ 16.00	153,994	7.4	38,938	$ 16.00
27.00	11,250	8.4	7,500	27.00
27.19	168,453	8.8	28,670	27.19
27.84	22,500	9.4	7,500	27.84
29.88	24,239	8.6	2,131	29.88
38.20	2,500	9.6	--	38.20
80.00	270,985	9.8	--	80.00
$16.00 -80.00	653,921	8.9	84,739	$ 22.16

</TABLE>

Had compensation cost for the Company's stock option grants been determined for awards consistent with the fair value approach of SFAS No. 123, "Accounting for Stock Based Compensation," which requires recognition of compensation cost ratably over the vesting period of the underlying instruments, the Company's pro forma net income (loss) and pro forma basic and diluted net income (loss) per share would have been adjusted to the amounts indicated below:

<TABLE>
<CAPTION>

	As of December 31,		
	2000*	1999	1998
	(in thousands, except per share data)		
Pro forma net income - as reported	$ 27,028	$ 10,270	$ 6,918
Pro forma net income - as adjusted	$ 25,131	$ 9,623	$ 6,432
Pro forma basic income per share - as reported	$ 2.00	$ 0.86	$ 0.65
Pro forma basic net income per share - as adjusted	$ 1.86	$ 0.80	$ 0.60
Pro forma diluted net income per share - as reported	$ 1.96	$ 0.84	$ 0.64

Pro forma diluted net income per share - as adjusted	$ 1.82	$ 0.79	$ 0.59

</TABLE>

- ----------
*2000 data represents actual results

Compensation cost for the determination of Pro forma net income - as adjusted and related per share amounts were estimated using the Black Scholes option pricing model, with the following assumptions: (i) risk free interest rate of 5.74%, 6.21% and 5.62% at December 31, 2000, 1999 and 1998, respectively; (ii) expected life of 5 years for 2000, 1999 and 1998; (iii) expected dividends - $0 for 2000, 1999 and 1998; and (iv) volatility of 80% for 2000 and 60% for 1999 and 1998. The weighted average fair value of options granted during 2000, 1999 and 1998 was $51.48, $15.78 and $9.63, respectively.

19. Pro Forma Information (unaudited)

Prior to its acquisition in May 1999, TVG was an S corporation and not subject to Federal income tax. During such periods the net income of TVG had been reported by and taxed directly to the pre-acquisition shareholders rather than TVG. Accordingly, for informational purposes, the accompanying statements of operations for the years ended December 31, 1999 and 1998 include a pro forma adjustment for the income taxes which would have been recorded had TVG been a C corporation for the periods presented based on the tax laws in effect during those periods. The pro forma adjustment for income taxes is based upon the statutory rates in effect for C corporations during the years ended December 31, 1999 and 1998. The pro forma adjustment for income taxes for the year ended December 31, 1999 also reflects the non-deductibility of certain acquisition related costs.

20. New Accounting Pronouncements

The Financial Accounting Standards Board released in June 1998, SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" which addressed the accounting for derivative instruments including certain derivative instruments embedded in other contracts and for hedging activities. Implementation of SFAS 133 was delayed to fiscal year 2001 by the issuance of SFAS 137. In June 2000, the Financial Accounting Standards Board issued Statement of Financial Accounting Standard No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities - an amendment of FASB Statement No. 133" (SFAS 138) which amended the accounting and reporting standards of SFAS 133 for certain derivative instruments and certain hedging activities. The Company does not believe that the adoption of these pronouncements will have an impact on its earnings, comprehensive income and financial position.

21. Segment Information

Through three segments, the Company offers six principal service offerings, including customized contract sales services, product sales and distribution, marketing research and consulting services, and professional education and communication services. Marketing research and consulting services, professional education and communication services, have been combined to form the Marketing services category. The accounting policies of the segments are the same as those described in the "Nature of Business and Significant Accounting Policies" footnote. Segment data includes a charge allocating corporate headquarters costs to each of the operating segments. The Company evaluates the performance of its segments and allocates resources to them based on earnings before interest and taxes (EBIT).

<TABLE>
<CAPTION>

	For the Year Ended December 31,		
	2000	1999	1998
<S>	<C>	<C>	<C>
Revenue, net			
Contract sales	$ 315,188	$ 151,623	$ 101,081

Product sales and distribution	101,008	--	--
Marketing services	19,749	23,351	18,340
Total	$ 435,945	$ 174,974	$ 119,421
Revenue, intersegment			
Contract sales	$ (18,848)	$ --	$ --
Product sales and distribution	--	--	--
Marketing services	(222)	(72)	--
Total	$ (19,070)	$ (72)	$ --
Revenues, less intersegment			
Contract sales	$ 296,340	$ 151,623	$ 101,081
Product sales and distribution	101,008	--	--
Marketing services	19,527	23,279	18,340
Total	$ 416,875	$ 174,902	$ 119,421
EBIT			
Contract sales	$ 30,572	$ 13,643	$ 9,373
Product sales and distribution	9,090	--	--
Marketing services	1,214	2,079	(117)
Total	$ 40,876	$ 15,722	$ 9,256
Reconciliation of EBIT to income before provision for income taxes			
Total EBIT for operating groups	$ 40,876	$ 15,722	$ 9,256
Acquisition costs	--	(1,246)	--
Other income, net	4,864	3,471	2,273
Income before provision for income taxes	$ 45,740	$ 17,947	$ 11,529

</TABLE>

<TABLE>

<S>	<C>	<C>	<C>
Capital expenditures			
Contract sales	$ 7,326	$ 1,293	$ 2,045
Product sales and distribution	29	--	--
Marketing services	510	149	151
Total	$ 7,865	$ 1,442	$ 2,196
Depreciation expense			
Contract sales	$ 1,272	$ 613	$ 338
Product sales and distribution	--	--	--
Marketing services	336	399	359
Total	$ 1,608	$ 1,012	$ 697
Total Assets			
Contract sales	$ 163,859	$ 91,981	$ 77,390
Product sales and distribution	95,528	--	--
Marketing services	10,838	10,979	--
Total	$ 270,225	$ 102,960	$ 77,390

</TABLE>

Schedule II

PROFESSIONAL DETAILING, INC.

VALUATION AND QUALIFYING ACCOUNTS

YEARS ENDED DECEMBER 30, 1998, 1999 AND 2000
(IN THOUSANDS)

<TABLE>
<CAPTION>

DESCRIPTION	BALANCE AT BEGINNING OF PERIOD	ADDITIONS CHARGED TO OPERATIONS	(1)(2) DEDUCTIONS OTHER	BALANCE AT END OF PERIOD
<S>	<C>	<C>	<C>	<C>
Against trade receivables--				
Year ended December 30, 1998				
Allowance for doubtful accounts	--	--	--	--
Year ended December 30, 1999				
Allowance for doubtful accounts	--	--	--	--
Year ended December 30, 2000				
Allowance for doubtful accounts	--	250,000	--	250,000
Against inventories--				
Year ended December 30, 1998				
Allowance for excess and obsolete	--	--	--	--
Year ended December 30, 1999				
Allowance for excess and obsolete	--	--	--	--
Year ended December 30, 2000				
Allowance for excess and obsolete	--	100,000	--	100,000

</TABLE>

- ------------
(1) Accounts written-off.
(2) Merchandise disposals.

PROFESSIONAL DETAILING, INC.

EXHIBITS TO

ANNUAL REPORT ON FORM 10-K

FOR THE YEAR ENDED

DECEMBER 31, 2000

EXHIBIT 10.8

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made as of the 17th day of January, 2000, between PROFESSIONAL DETAILING, INC., a Delaware corporation (the "Company"), having its principal place of business at 10 Mountainview Road, Upper Saddle River, New Jersey 07458, and CHRISTOPHER TAMA, residing at 233 South Court, Normandy Beach, NJ 08739 (the "Executive").

WITNESSETH:

WHEREAS, the Company believes that it would benefit from the application of the Executive's particular and unique skills, experiences and background in connection with the management and operation of the Company, and wishes to employ the Executive as Vice President of Life Cycle X-Tension Company ("LCXT"), a wholly owned subsidiary of the Company; and.

WHEREAS, the parties desire by this Agreement to set forth the terms and conditions of the employment relationship between the Company and the Executive.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants in this Agreement, the Company and the Executive agree as follows:

1. Employment and Duties. The Company hereby employs the Executive as Vice President of LCXT on the terms and conditions set forth in this Agreement and Executive agrees to accept such employment subject to the terms and conditions of this Agreement. The Executive shall be responsible for (a) the successful commercial operations of LCXT clients evidenced by the achievements of strategic and financial goals periodically established by the Company; (b) establishing new LCXT clients, with advice and consultation of Company's Chief Executive Officer (the "CEO") through appropriate business planning; (c) developing requisite infrastructure for LCXT; (d) managing the commercial operations of the marketing unit of the Company's TVG, Inc. subsidiary commencing at a point to be determined by the CEO; and (e) such other duties as are assigned to him by the CEO which are commensurate with his position with the Company. The Executive shall report to and be supervised by the Company's CEO. The Executive shall be based at the Company's offices in Upper Saddle River, New Jersey or such other place that shall constitute the Company's headquarters.

The Executive agrees to devote his entire business time, attention and energies to the business and interests of the Company during the Employment Period. The Executive shall not accept any other employment or

engage in any other business activity during the Employment Period; however, the Executive may devote a reasonable portion of the Executive's personal time to personal financial affairs and nonprofit public service activities; provided, however, that such activities do not adversely impact Executive's performance of his duties hereunder. The Executive agrees to abide by the rules, regulations, instructions, personnel practices and policies of the Company and any changes therein which may be adopted from time to time by the Company, including, but not limited to, those relating to the protection of the Company's proprietary trade secrets and confidential information.

2. Term. The term of this Agreement shall commence on January 17, 2000 (the "Commencement Date"), and shall terminate on December 31, 2002, unless terminated earlier, or extended, in accordance with the terms of this Agreement (the "Termination Date"). Such term of employment is herein sometimes referred to as the "Employment Term". The Employment Term shall be extended for successive one year periods unless either party notifies the other in writing at least 90 days before the Termination Date, or any anniversary of the Termination Date, as the case may be, that he or it chooses not to extend the Employment Term.

3. Compensation. As compensation for performing the services required by this Agreement, and during the term of this Agreement, the Executive shall be compensated as follows:

(a) Base Compensation. The Company shall pay to the Executive an annual salary ("Base Compensation") of $175,000, payable in equal installments

pursuant to the Company's customary payroll procedures in effect for its executive personnel at the time of payment, but in no event less frequently than monthly, subject to withholding for applicable federal, state, and local taxes. The Executive may be entitled to such increases in Base Compensation with respect to each calendar year during the term of this Agreement, as shall be determined by the Company, in its sole and absolute discretion, based on periodic reviews of the Executive's performance.

(b) Incentive Compensation. In addition to Base Compensation, the Executive may be entitled to receive additional compensation ("Incentive Compensation") in the discretion of the Company. The Incentive Compensation shall be pursuant to short-term and/or long-term incentive compensation programs, pursuant to the Company's Variable Incentive Compensation Program. For purposes of this Agreement, the Executive's "Pro Rata Share" of Incentive Compensation for any calendar of the Company shall be a fraction whose numerator shall be equal to the number of months (or parts of months) during which the Executive was actually employed by the Company during any such calendar year and whose denominator shall be the total number of months in such calendar year.

(c) Stock Options. Subject to compliance with applicable securities laws and approval by the Compensation Committee of the Board (the "Compensation Committee"), the Company shall grant to the Executive an option (the "Stock Option") to purchase 5,000 shares of Common Stock at a per share price equal to the last reported sale price of the Common Stock on the Nasdaq National Market on the Commencement Date. The Stock Option shall become exercisable with respect to one-third of the shares covered thereby on each of the first, second and third anniversary of the date of grant so long as the Executive shall remain in the employment of the Company on such dates. The Stock Option shall contain such other terms as are customary in options awarded by the Company to employees of the Company and the subsidiaries under the Company's 1998 Stock Option Plan.

(d) Initial Payment. The Company shall pay to the Executive in the first payroll period following the Commencement Date the sum of $15,000 subject to withholding for applicable federal, state and local taxes to offset expenses to be incurred by the Executive in connection with his employment.

4. Employee Benefits. During the Employment Term and subject to the limitations set forth in this Section 4, the Executive and his eligible dependents shall have the right to participate in any retirement plans (qualified and non-qualified), pension, insurance, health, disability or other benefit plan or program that has been or is hereafter adopted by the Company (or in which the Company participates), according to the terms of such plan or program, on terms no less favorable than the most favorable terms granted to executives of the Company.

5. Vacation and Leaves of Absence. The Executive shall be entitled to the normal and customary amount of paid vacation provided to executive officers of the Company, but in no event less than 15 days during each 12-month period, beginning on the date of this Agreement. Any vacation days that are not taken in a given 12-month period shall not accrue or carry-over from year to year. Upon any termination of this Agreement (a) by the Company for "cause", or (b) by the Executive other than for "good reason", accrued and unused vacation for the year in which this Agreement terminates will be paid to the Executive within 10 days of such termination based on his annual rate of Base Compensation in effect on the date of such termination. In addition, the Executive may be granted leaves of absence with or without pay for such valid and legitimate reasons as the Company in its sole and absolute discretion may determine, and shall be entitled to the same sick leave and holidays provided to other executive officers of the Company.

6. Expenses.

(a) Business Expenses. The Executive shall be promptly reimbursed against presentation of vouchers or receipts for all reasonable and appropriate expenses incurred by him in connection with the performance of his duties hereunder.

(b) Automobile Expense. During the Employment Term, in order to facilitate the performance of the Executive's duties hereunder, and otherwise for the convenience of the Company, the Company shall provide the Executive with an automobile, or shall reimburse the Executive up to $850 per month in

connection with the cost of leasing an automobile, and shall pay or reimburse Executive (upon presentation of vouchers or receipts) for the reasonable cost of all maintenance, insurance, repairs, gas and other expenses related to such automobile.

7. Indemnification. The Company shall (and is hereby obligated to) indemnify (including advance payment of expenses, which expenses shall include, without limitation, reasonable attorneys' fees) the Executive for all actions taken by Executive as an officer of the Company or the failure of Executive to take any action in each and every situation where the Company is obligated to make such indemnification pursuant to applicable law and the relevant portions of the Company's Certificate of Incorporation and By-Laws.

8. Termination and Termination Benefits.

(a) Termination by the Company.

(i) For Cause. Notwithstanding any provision contained herein, the Company may terminate this Agreement at any time during the Employment Term for "cause". For purposes of this subsection 8(a)(i), "cause" shall mean (1) the continuing failure by the Executive to substantially perform his duties hereunder for any reason other than total or partial incapacity due to physical or mental illness, (2) gross negligence or gross malfeasance on the part of the Executive in the performance of his duties hereunder that demonstrably cause harm to the Company, and (3) the conviction of the Executive, by a court of competent jurisdiction, of a felony or other crime involving moral turpitude. Termination pursuant to this subsection 8(a)(i) shall be effective immediately upon giving the Executive written notice thereof stating the reason or reasons therefor with respect to clauses (2) and (3) above, and 15 days after written notice thereof from the Company to the Executive specifying the acts or omissions constituting the failure and requesting that they be remedied with respect to clause (1) above, but only if the Executive has not cured such failure within such 15 day period. In the event of a termination pursuant to this subsection 8(a)(i), the Executive shall be entitled to payment of his Base

Compensation and the benefits pursuant to Section 4 hereof up to the effective date of such termination.

(ii) Disability. If due to illness, physical or mental disability, or other incapacity, the Executive shall fail, for a total 90 days during any 120 day period ("Disability"), to substantially perform the principal duties required by this Agreement, the Company may terminate this Agreement upon 30 days' written notice to the Executive; provided, however that if the Executive commences to perform the duties required by this Agreement within such 30-day period and performs such services for 25 out of 30 of the ensuing work days, then such notice shall be void. In the event of a termination pursuant to this subsection 8(a)(ii), the Executive shall be (1) paid his Base Compensation until the Termination Date and his Pro Rata Share of any Incentive Compensation to which he would have been entitled for the year in which such termination occurs, and (2) provided with employee benefits pursuant to Section 4, to the extent available, for the remainder of the Employment Term; provided, however, that any compensation to be paid to the Executive pursuant to this subsection 8(a)(ii) shall be offset against any payments received by the Executive pursuant to any policy of disability insurance the premiums of which are paid for by the Company. Nothing herein shall be construed to violate any Federal or State law including the Family and Medical Leave Act of 1993, 27 U.S.C.S. ss.2601 et seq., and the Americans With Disabilities Act, 42 U.S.C.S. ss.12101 et seq.

(b) Termination by the Executive. The Executive may terminate this Agreement at any time during the Employment Term for "good reason" upon 90 days' written notice to the Company (during which period the Executive shall, if requested in writing by the Company, continue to perform his duties as specified under this Agreement). "Good reason" shall mean: (1) the Company's failure to make any of the payments or provide any of the benefits to the Executive under this Agreement; (2) the Company's material breach of any provision of this Agreement; (3) a material reduction in the Executive's responsibilities (provided, however, "good reason" shall not include a reduction in Executive's responsibilities if such reduction is a result of Executive's failure to perform his duties in a manner satisfactory to the Company); or (5) a reduction in the Executive's Base Compensation (other than a pro rata reduction in Base Compensation applicable to all senior executives of the Company); provided, however, that the Company has not cured, or made substantial efforts to cure,

such failure or breach within the aforementioned 90 day period.

(c) Termination Compensation. In the event of a termination of this Agreement (a) by the Company without cause (as defined in subsection 8(a)(i) hereof), or (b) by the Executive for "good reason" pursuant

to subsection 8(b) above, the Executive shall be paid, in consideration of the post-termination non-compete and non-solicitation agreements set forth in Section 10: (1) his Base Compensation up to the effective date of such termination; (2) his full share of any Incentive Compensation payable to him for the year in which the termination occurs; and (3) a lump sum payment (hereinafter "Termination Compensation") to the Executive equal to the net present value of 50% of the average cash compensation (including Base Compensation and Incentive Compensation) paid to, or accrued for, the Executive in the calendar year immediately preceding the calendar year in which the termination occurs; provided, however, that, if Termination Compensation becomes due in the first year of the term of this Agreement it shall be equal to 60% of Base Compensation. Payment of Termination Compensation to the Executive shall occur no later than 14 days following the effective date of the Executive's termination. For purposes of this subsection 8(c), the date of termination of the Executive's employment shall be date on which the Executive ceases to perform services for the Company.

(d) Stock Options and Other Benefits. In the event that the Executive is terminated for reasons other than for "cause" or in the event the Executive terminates this Agreement for "good reason", any stock options then held by the Executive and/or any other benefits subject to specified vesting criteria, shall immediately vest in the Executive; provided, however, all stock options then held by the Executive and/or any other benefits subject to specified vesting criteria shall expire and/or terminate 90 days after the date this Agreement is terminated pursuant to subsections 8(a)(i) or 8(b). The Company agrees to take such steps and to execute such documents as shall be necessary to effectuate the foregoing.

(e) Death Benefit. Notwithstanding any other provision of this Agreement, this Agreement shall terminate on the date of the Executive's death. In such event the Company shall pay Executive's Base Salary to his wife, if she survives him, or, if she does not survive him, in equal shares to his children who survive him, through the end of the month in which such death occurs. In addition, the Company shall pay to Executive's wife, if she survives him, or, if she does not survive him, in equal shares to his children who survive him, the Pro Rata Share of any Incentive Compensation to which Executive would have been entitled for the year in which such death occurs.

(f) No Mitigation. The Executive shall not be required to mitigate the amount of any payments provided for by this Agreement by seeking employment or otherwise, nor shall the amount of any

payment or benefit provided in this Agreement be reduced by any compensation or benefit earned by the Executive after termination of his employment.

(g) Survival. The provisions of Sections 7, 8, 9, 10, 11, and 12 shall survive the termination of this Agreement.

9. Company Property. All advertising, promotional, sales, suppliers, manufacturers and other materials or articles or information, including without limitation data processing reports, customer lists, customer sales analyses, invoices, product lists, price lists or information, samples, or any other materials or data of any kind furnished to the Executive by the Company or developed by the Executive on behalf of the Company or at the Company's direction or for the Company's use or otherwise in connection with the Executive's employment hereunder, are and shall remain the sole and confidential property of the Company; if the Company requests the return of such materials at any time during or at or after the termination of the Executive's employment, the Executive shall immediately deliver the same to the Company.

10. Covenant Not To Compete.

(a) No Solicitation or Competition. During the term of this Agreement and for a period of twelve months after termination of the Executive's

employment with the Company for any reason, the Executive shall not, directly or indirectly, solicit, induce, encourage or attempt to influence any client, customer, employee, consultant, independent contractor, salesman or supplier of the Company to cease to do business or terminate his employment with the Company, and shall not engage in (as a principal, partner, director, officer, agent, employee, consultant or otherwise) or be financially interested in any business competing with the Company anywhere in the United States. Nothing contained in this Section 10 shall prevent the Executive from holding for investment not more than five percent (5%) of any class of equity securities of a company whose securities are publicly traded or from engaging in any activities that are not in competition with the business activities of the Company.

(b) Confidentiality of Company Property. During the effectiveness of this Agreement and at all times thereafter, the Executive shall not use for his personal benefit, or disclose, communicate or divulge to, or use for the direct or indirect benefit of any person, firm, association or company other than the Company, any material referred to in Section 9 above unless such material has been made publicly available by the Company. Company Property includes "Confidential Information" defined as any information disclosed to the Executive or known to the Executive as a consequence of, or through the Executive's employment with the Company (including

information conceived, originated, discovered or developed by the Executive), about the Company or the Company's clients or customers' business operations, processes, products, research and development, manufacturing methods, marketing, sales costs, pricing, inventions, improvements, discoveries and ideas (whether patentable or not), and financial information. Confidential Information also means any formula, pattern, procedure, method, device or compilation of information which is used in the company's business or the company's clients or customers' business, and which gives the Company and/or its clients and customers an opportunity to obtain an advantage over competitors. The Executive understand that as a manager the Executive will be exposed to a broad base of information about the company operations nationwide and will receive detailed information about the Company's customers from the Company and from the employees the Executive supervise.

(c) Saving Clause. If the period of time or the area specified in subsection (a) above should be adjudged unreasonable in any proceeding, then the period of time shall be reduced by such number of months or the area shall be reduced by the elimination of such portion thereof or both so that such restrictions may be enforced in such area and for such time as is adjudged to be reasonable. If the Executive violates any of the restrictions contained in the foregoing subsection (a), the restrictive period shall not run in favor of the Executive from the time of the commencement of any such violation until such time as such violation shall be cured by the Executive to the satisfaction of Company.

11. Executive's Representation and Warranties. The Executive represents and warrants to the Company as follows:

(a) All facts concerning the Executive's background, education, experience and employment history as described to the Company by the Executive are true and correct in all material respects;

(b) The Executive's execution of this Agreement and employment with the Company does not and will not conflict with any obligations that the Executive has to any current or former employer, any other individual, corporation, partnership, association, trust or any other entity or organization, including any instrumentality of government;

(c) The Executive has not brought to the Company, and will not bring to the Company, any materials, documents or other property of any nature that is the confidential property of another party or entity;

(d) All files, records, compilations, reports, studies, manuals, memoranda, notebooks, documents, financial reports and statements, correspondence, and other confidential information whether prepared

by the Executive or otherwise coming into the possession of the Executive, and all copies thereof, are, and shall remain, the exclusive property of the

Company, and shall be delivered immediately to the Company in the event o the Executive's termination or at any other time if requested by the Company.

(e) Executive acknowledges that the foregoing representation and warranties are a material inducement to the Company entering into this Agreement and that in the event that any of these representation and warranties, Executive agrees to indemnify and hold harmless the Company from and against any and all claims, actions, losses and damages (including but not limited to, reasonable attorneys' fees and costs) incurred by the Company, and the Company shall have the right to terminate Executive for cause.

12. Miscellaneous.

(a) Integration; Amendment. This Agreement constitutes the entire agreement between the parties hereto with respect to the matters set forth herein and supersedes and renders of no force and effect all prior understandings and agreements between the parties with respect to the matters set forth herein. No amendments or additions to this Agreement shall be binding unless in writing and signed by both parties.

(b) Severability. If any part of this Agreement is contrary to, prohibited by, or deemed invalid under applicable law or regulations, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited, or invalid, but the remainder of this Agreement shall not be invalid and shall be given full force and effect so far as possible.

(c) Waivers. The failure or delay of any party at any time to require performance by the other party of any provision of this Agreement, even if known, shall not affect the right of such party to require performance of that provision or to exercise any right, power, or remedy hereunder, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power, or remedy under this Agreement. No notice to or demand on any party in any case shall, of itself, entitle such party to other or further notice or demand in similar or other circumstances.

(d) Power and Authority. The Company represents and warrants to the Executive that it has the requisite corporate power to enter into this Agreement and perform the terms hereof; that the execution, delivery and performance of this Agreement by it has been duly authorized by all appropriate corporate action; and

that this Agreement represents the valid and legally binding obligation of the Company and is enforceable against it in accordance with its terms.

(e) Burden and Benefit; Survival. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, personal and legal representatives, successors and assigns.

(f) Governing Law; Headings. This Agreement and its construction, performance, and enforceability shall be governed by, and construed in accordance with, the laws of the State of New Jersey. Headings and titles herein are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

(g) Notices. All notices called for under this Agreement shall be in writing and shall be deemed given upon receipt if delivered personally or by confirmed facsimile transmission and followed promptly by mail, or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at their respective addresses (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof) as set forth in the preamble to this Agreement or to any other address or addressee as any party entitled to receive notice under this Agreement shall designate, from time to time, to others in the manner provided in this subsection 12(g) for the service of Notices.

Any notice delivered to the party hereto to whom it is addressed shall be deemed to have been given and received on the day it was received; provided, however, that if such day is not a business day then the notice shall be deemed to have been given and received on the business day next following

such day. Any notice sent by facsimile transmission shall be deemed to have been given and received on the business day next following the day of transmission.

(h) Arbitration; Remedies. Any dispute or controversy arising under this Agreement or as a result of or in connection with Executive's employment (other than disputes arising under Section 10) shall be arbitrated and settled pursuant to the National Rules for the Resolution of Employment Disputes of the American Arbitration Association which are then in effect. This provision shall also apply to any and all claims that may be brought under any federal or state anti-discrimination or employment statute, rule or regulation, including, but not limited to, claims under; the National Labor Relations Act; Title VII of the Civil Rights Act; Section 1981 through 1988 of Title 42 of the United States Code; the Employee Retirement Income

Security Act; the Immigration Reform and Control Act; the Americans with Disabilities Act; the Age Discrimination in Employment Act; the Fair Labor Standards Act; the Occupational Safety and Health Act; the Family and Medical Leave Act and/or the Equal Pay Act. The decision of the arbitrator and award, if any, is final and binding on the parties and the judgement may be entered in any court having jurisdiction thereof. The parties will agree upon an arbitrator from the list of labor arbitrators supplied by the American Arbitration Association. The parties understand and agree, however, that disputes arising under Section 10 of this Agreement may be brought in a court of law or equity without submission to arbitration.

(i) Jurisdiction. Except as otherwise provided for herein, each of the parties: (a) submits to the exclusive jurisdiction of any state court sitting in Bergen County, New Jersey or federal court sitting in New Jersey in any action or proceeding arising out of or relating to this Agreement; (b) agrees that all claims in respect of the action or proceeding may be heard and determined in any such court; (c) agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court; and (d) waives any right such party may have to a trial by jury with respect to any action or proceeding arising out of or relating to this Agreement. Each of the parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other party with respect thereto. Any party may make service on another party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for giving of notices in Section 11. Nothing in this Section 14, however, shall affect the right of any party to serve legal process in any other manner permitted by law.

(j) Number of Days. In computing the number of days for purposes of this Agreement, all days shall be counted, including Saturdays, Sundays and holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or holiday on which federal banks are or may elect to be closed, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or such holiday.

THIS AGREEMENT CONTAINS VERY IMPORTANT TERMS GOVERNING YOUR EMPLOYMENT. IN PARTICULAR, PARAGRAPH 10 AFFECTS YOUR ABILITY TO TAKE CERTAIN ACTIONS FOLLOWING THE TERMINATION OF THIS AGREEMENT. YOU SHOULD SEEK ADVICE FROM YOUR ATTORNEY REGARDING ANY MATTER RELATING TO THIS AGREEMENT. BY EXECUTING THIS AGREEMENT, YOU ARE AFFIRMING THAT YOU HAVE HAD THE OPPORTUNITY TO REVIEW THIS AGREEMENT AND TO CONSULT WITH YOUR ATTORNEY IF YOU SO DESIRED, THAT YOU UNDERSTAND THE

MEANING AND SIGNIFICANCE OF ALL OF ITS PROVISIONS, THAT NO REPRESENTATIONS OR PROMISES HAVE BEEN MADE TO YOU REGARDING YOUR EMPLOYMENT WHICH ARE NOT SET FORTH IN THIS AGREEMENT, AND THAT YOU ARE FREELY SIGNING THIS AGREEMENT TO OBTAIN EMPLOYMENT WITH THE COMPANY.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

/s/ Christopher Tama

CHRISTOPHER TAMA

PROFESSIONAL DETAILING, INC.,
a Delaware corporation

By: /s/ Charles T. Saldarini

Charles T. Saldarini

Chief Executive Officer

EXHIBIT 10.9

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (the "Agreement") is made as of the 1st day of September, 2000, between PROFESSIONAL DETAILING, INC., a Delaware corporation (the "Company"), having its principal place of business at 10 Mountainview Road, Upper Saddle River, New Jersey 07458, and STEPHEN COTUGNO, residing at 412 Columbus Drive, West Harrison, New York 10604 (the "Executive").

WITNESSETH:

WHEREAS, the Company believes that it would benefit from the application of the Executive's particular and unique skills, experiences and background in connection with the management and operation of the Company, and wishes to employ the Executive as Executive Vice President -- Corporate Development; and

WHEREAS, the parties desire by this Agreement to set forth the terms and conditions of the employment relationship between the Company and the Executive.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants in this Agreement, the Company and the Executive agree as follows:

1. Employment and Duties. The Company hereby employs the Executive as Executive Vice President -- Corporate Development on the terms and conditions set forth in this Agreement and Executive agrees to accept such employment subject to the terms and conditions of this Agreement. The Executive shall be responsible for all phases of (a) the Company's corporate development activity including merger and acquisition activity (including related integration activities), strategic investment activity and private equity relationships; (b) investor relations matters and investment banking relationships; and (c) such other duties as are assigned to him by the Company's Chief Executive Officer ("CEO") which are commensurate with his position with the Company. In connection with the foregoing, the Executive shall coordinate all corporate development and investor relation matters with senior members of the Company's management senior management of the Company's subsidiaries and the Board of Directors. The Executive shall report to and be supervised by the CEO. The Executive shall be based at the Company's offices in Upper Saddle River, New Jersey or such other place that shall constitute the Company's headquarters.

The Executive agrees to devote his entire business time, attention and energies to the business and interests of the Company during the Employment Period. The Executive shall not accept any other employment or engage in any other business activity during the Employment Period; however, the Executive may devote a reasonable portion of the Executive's personal time to personal financial affairs and nonprofit public service activities; provided, however, that such activities do not adversely impact Executive's performance of his duties hereunder. The Executive agrees to abide by the rules, regulations, instructions, personnel practices and policies of the Company and any changes therein which may be adopted from time to time by the Company, including, but not limited to, those relating to the protection of the Company's proprietary trade secrets and confidential information.

2. Term. The term of this Agreement shall commence on September 1, 2000 (the "Commencement Date"), and shall terminate on August 31, 2002, unless terminated earlier, or extended, in accordance with the terms of this Agreement (the "Termination Date"). Such term of employment is herein sometimes referred to as the

"Employment Term." The Employment Term shall be automatically extended for successive one-year periods unless either party notifies the other in writing at least 90 days before the Termination Date, or any anniversary of the Termination Date, as the case may be, that he or it chooses not to extend the Employment Term.

3. Compensation. As compensation for performing the services required by this Agreement, and during the term of this Agreement, the Executive shall be compensated as follows:

(a) Base Compensation. The Company shall pay to the Executive an

annual salary ("Base Compensation") of $155,000, payable in equal installments pursuant to the Company's customary payroll procedures in effect for its executive personnel at the time of payment, but in no event less frequently than monthly, subject to withholding for applicable federal, state, and local taxes. The Executive may be entitled to such increases in Base Compensation with respect to each calendar year during the term of this Agreement, as shall be determined by the Company, in its sole and absolute discretion, based on periodic reviews of the Executive's performance.

(b) Incentive Compensation. In addition to Base Compensation, the Executive may be entitled to receive additional compensation ("Incentive Compensation") in the discretion of the Company. The Incentive Compensation shall be pursuant to short-term and/or long-term incentive compensation programs, pursuant to the Company's Variable Incentive Compensation Program. For purposes of this Agreement, the Executive's "Pro Rata Share" of Incentive Compensation for any calendar of the Company shall be a fraction whose numerator shall be equal to the number of months (or parts of months) during which the Executive was actually employed by the Company during any such calendar year and whose denominator shall be the total number of months in such calendar year.

4. Employee Benefits. During the Employment Term and subject to the limitations set forth in this Section 4, the Executive and his eligible dependents shall have the right to participate in any retirement plans (qualified and non-qualified), pension, insurance, health, disability or other benefit plan or program that has been or is hereafter adopted by the Company (or in which the Company participates), according to the terms of such plan or program, on terms no less favorable than the most favorable terms granted to executives of the Company.

5. Vacation and Leaves of Absence. The Executive shall be entitled to the normal and customary amount of paid vacation provided to executive officers of the Company, but in no event less than 15 days during each 12-month period, beginning on the date of this Agreement. Any vacation days that are not taken in a given 12-month period shall not accrue or carry-over from year to year. Upon any termination of this Agreement (a) by the Company for "cause", or (b) by the Executive other than for "good reason", accrued and unused vacation for the year in which this Agreement terminates will be paid to the Executive within 10 days of such termination based on his annual rate of Base Compensation in effect on the date of such termination. In addition, the Executive may be granted leaves of absence with or without pay for such valid and legitimate reasons as the Company in its sole and absolute discretion may determine, and shall be entitled to the same sick leave and holidays provided to other executive officers of the Company.

6. Expenses.

(a) Business Expenses. The Executive shall be promptly reimbursed against presentation of vouchers or receipts for all reasonable and appropriate expenses incurred by him in connection with the performance of his duties hereunder.

(b) Automobile Expense. During the Employment Term, in order to facilitate the performance of the Executive's duties hereunder, and otherwise for the convenience of the Company, the Company shall provide the Executive with an automobile, or shall reimburse the Executive up to $550 per month in connection with the cost of leasing an automobile, and shall pay or reimburse Executive (upon presentation of vouchers or receipts) for the reasonable cost of all maintenance, insurance, repairs, gas and other expenses related to such automobile.

7. Indemnification. The Company shall (and is hereby obligated to) indemnify (including advance payment of expenses, which expenses shall include, without limitation, reasonable attorneys' fees) the Executive for all actions taken by Executive as an officer of the Company or the failure of Executive to take any action in each and every situation where the Company is obligated to make such indemnification pursuant to applicable law and the relevant portions of the Company's Certificate of Incorporation and By-Laws.

8. Termination and Termination Benefits.

(a) Termination by the Company.

(ii) For Cause. Notwithstanding any provision contained herein, the Company may terminate this Agreement at any time during the Employment Term for "cause". For purposes of this subsection 8(a)(i), "cause" shall mean (1) the continuing failure by the Executive to substantially perform his duties hereunder for any reason other than total or partial incapacity due to physical or mental illness, (2) gross negligence or gross malfeasance on the part of the Executive in the performance of his duties hereunder that demonstrably cause harm to the Company, or (3) the conviction of the Executive, by a court of competent jurisdiction, of a felony or other crime involving moral turpitude. Termination pursuant to this subsection 8(a)(i) shall be effective immediately upon giving the Executive written notice thereof stating the reason or reasons therefor with respect to clauses (2) and (3) above, and 15 days after written notice thereof from the Company to the Executive specifying the acts or omissions constituting the failure and requesting that they be remedied with respect to clause (1) above, but only if the Executive has not cured such failure within such 15 day period. In the event of a termination pursuant to this subsection 8(a)(i), the Executive shall be entitled to payment of his Base Compensation and the benefits pursuant to Section 4 hereof up to the effective date of such termination.

(ii) Disability. If due to illness, physical or mental disability, or other incapacity, the Executive shall fail, for a total 90 days during any 120 day period ("Disability"), to substantially perform the principal duties required by this Agreement, the Company may terminate this Agreement upon 30 days' written notice to the Executive; provided, however that if the Executive commences to perform the duties required by this Agreement within such 30-day period and performs such services for 25 out of 30 of the ensuing work days, then such notice shall be void. In the event of a termination pursuant to this subsection 8(a)(ii), the Executive shall be (1) paid his Base Compensation until the Termination Date and his Pro Rata Share of any Incentive Compensation to which he would have been entitled for the year in which such termination occurs, and (2) provided with employee benefits pursuant to Section 4, to the extent available, for the remainder of the Employment Term; provided, however, that any compensation to be paid to the Executive pursuant to this subsection 8(a)(ii) shall be offset against any payments received by the Executive pursuant to any policy of disability insurance the premiums of which are paid for by the Company. Nothing herein shall be construed to violate any Federal or State law including the Family

and Medical Leave Act of 1993, 27 U.S.C.S. ss.2601 et seq., and the Americans With Disabilities Act, 42 U.S.C.S. ss.12101 et seq.

(b) Termination by the Executive. The Executive may terminate this Agreement at any time during the Employment Term for "good reason" upon 90 days' written notice to the Company (during which period the Executive shall, if requested in writing by the Company, continue to perform his duties as specified under this Agreement). "Good reason" shall mean: (1) the Company's failure to make any of the payments or provide any of the benefits to the Executive under this Agreement; (2) the Company's material breach of any provision of this Agreement; (3) a material reduction in the Executive's responsibilities (provided, however, "good reason" shall not include a reduction in Executive's responsibilities if such reduction is a result of Executive's failure to perform his duties in a manner satisfactory to the Company); or (5) a reduction in the Executive's Base Compensation (other than a pro rata reduction in Base Compensation applicable to all senior executives of the Company); provided, however, that the Company has not cured, or made substantial efforts to cure, such failure or breach within the aforementioned 90 day period.

(c) Termination Compensation. In the event of a termination of this Agreement (a) by the Company without cause (as defined in subsection 8(a)(i) hereof), or (b) by the Executive for "good reason" pursuant to subsection 8(b) above, the Executive shall be paid, in consideration of the post-termination non-compete and non-solicitation agreements set forth in Section 10: (1) his Base Compensation up to the effective date of such termination; (2) his full share of any Incentive Compensation payable to him for the year in which the termination occurs; and (3) a lump sum payment (hereinafter "Termination Compensation") equal to the net present value of 50% of the average cash compensation (including Base Compensation and Incentive Compensation) paid to, or accrued for, the Executive in the calendar year immediately preceding the calendar year in which the termination occurs. Payment of Termination Compensation to the Executive shall occur no later than 14 days following the effective date of the Executive's termination. For purposes of this subsection

8(c), the date of termination of the Executive's employment shall be date on which the Executive ceases to perform services for the Company.

(d) Stock Options and Other Benefits. In the event that the Executive is terminated for reasons other than for "cause" or in the event the Executive terminates this Agreement for "good reason," any stock options then held by the Executive and/or any other benefits subject to specified vesting criteria, shall immediately vest in the Executive; provided, however, all stock options then held by the Executive and/or any other benefits subject to specified vesting criteria shall expire and/or terminate 90 days after the date this Agreement is terminated pursuant to subsections 8(a)(i) or 8(b). The Company agrees to take such steps and to execute such documents as shall be necessary to effectuate the foregoing.

(e) Death Benefit. Notwithstanding any other provision of this Agreement, this Agreement shall terminate on the date of the Executive's death. In such event the Company shall pay Executive's Base Salary to estate, through the end of the month in which such death occurs. In addition, the Company shall pay to Executive's estate, the Pro Rata Share of any Incentive Compensation to which Executive would have been entitled for the year in which such death occurs.

(f) No Mitigation. The Executive shall not be required to mitigate the amount of any payments provided for by this Agreement by seeking employment or otherwise, nor shall the amount of any payment

or benefit provided in this Agreement be reduced by any compensation or benefit earned by the Executive after termination of his employment.

(g) Survival. The provisions of Sections 7, 8, 9, 10, 11, and 12 shall survive the termination of this Agreement.

9. Company Property. All advertising, promotional, sales, suppliers, manufacturers and other materials or articles or information, including without limitation data processing reports, customer lists, customer sales analyses, invoices, product lists, price lists or information, samples, or any other materials or data of any kind furnished to the Executive by the Company or developed by the Executive on behalf of the Company or at the Company's direction or for the Company's use or otherwise in connection with the Executive's employment hereunder, are and shall remain the sole and confidential property of the Company; if the Company requests the return of such materials at any time during or at or after the termination of the Executive's employment, the Executive shall immediately deliver the same to the Company.

10. Covenant Not To Compete.

(a) No Solicitation or Competition. During the term of this Agreement and for a period of twelve months after termination of the Executive's employment with the Company for any reason, the Executive shall not, directly or indirectly, solicit, induce, encourage or attempt to influence any client, customer, employee, consultant, independent contractor, salesman or supplier of the Company to cease to do business or terminate his employment with the Company, and shall not engage in (as a principal, partner, director, officer, agent, employee, consultant or otherwise) or be financially interested in any business competing with the Company anywhere in the United States. Nothing contained in this Section 10 shall prevent the Executive from holding for investment not more than five percent (5%) of any class of equity securities of a company whose securities are publicly traded or from engaging in any activities that are not in competition with the business activities of the Company.

(b) Confidentiality of Company Property. During the effectiveness of this Agreement and at all times thereafter, the Executive shall not use for his personal benefit, or disclose, communicate or divulge to, or use for the direct or indirect benefit of any person, firm, association or company other than the Company, any material referred to in Section 9 above unless such material has been made publicly available by the Company. Company Property includes "Confidential Information" defined as any information disclosed to the Executive or known to the Executive as a consequence of, or through the Executive's employment with the Company (including information conceived, originated, discovered or developed by the Executive), about the Company or the Company's clients or customers' business operations, processes, products, research and

development, manufacturing methods, marketing, sales costs, pricing, inventions, improvements, discoveries and ideas (whether patentable or not), and financial information. Confidential Information also means any formula, pattern, procedure, method, device or compilation of information which is used in the company's business or the company's clients or customers' business, and which gives the Company and/or its clients and customers an opportunity to obtain an advantage over competitors. The Executive understand that as a manager the Executive will be exposed to a broad base of information about the company operations nationwide and will receive detailed information about the Company's customers from the Company and from the employees the Executive supervise.

(c) Saving Clause. If the period of time or the area specified in subsection (a) above should be adjudged unreasonable in any proceeding, then the period of time shall be reduced by such number of months or

the area shall be reduced by the elimination of such portion thereof or both so that such restrictions may be enforced in such area and for such time as is adjudged to be reasonable. If the Executive violates any of the restrictions contained in the foregoing subsection (a), the restrictive period shall not run in favor of the Executive from the time of the commencement of any such violation until such time as such violation shall be cured by the Executive to the satisfaction of Company.

11. Executive's Representation and Warranties. The Executive represents and warrants to the Company as follows:

(a) All facts concerning the Executive's background, education, experience and employment history as described to the Company by the Executive are true and correct in all material respects;

(b) The Executive's execution of this Agreement and employment with the Company does not and will not conflict with any obligations that the Executive has to any current or former employer, any other individual, corporation, partnership, association, trust or any other entity or organization, including any instrumentality of government;

(c) The Executive has not brought to the Company, and will not bring to the Company, any materials, documents or other property of any nature that is the confidential property of another party or entity;

(d) All files, records, compilations, reports, studies, manuals, memoranda, notebooks, documents, financial reports and statements, correspondence, and other confidential information whether prepared by the Executive or otherwise coming into the possession of the Executive, and all copies thereof, are, and shall remain, the exclusive property of the Company, and shall be delivered immediately to the Company in the event o the Executive's termination or at any other time if requested by the Company.

(e) Executive acknowledges that the foregoing representation and warranties are a material inducement to the Company entering into this Agreement and that in the event that any of these representation and warranties, Executive agrees to indemnify and hold harmless the Company from and against any and all claims, actions, losses and damages (including but not limited to, reasonable attorneys' fees and costs) incurred by the Company, and the Company shall have the right to terminate Executive for cause.

12. Miscellaneous.

(a) Integration; Amendment. This Agreement constitutes the entire agreement between the parties hereto with respect to the matters set forth herein and supersedes and renders of no force and effect all prior understandings and agreements between the parties with respect to the matters set forth herein. No amendments or additions to this Agreement shall be binding unless in writing and signed by both parties.

(b) Severability. If any part of this Agreement is contrary to, prohibited by, or deemed invalid under applicable law or regulations, such provision shall be inapplicable and deemed omitted to the extent so contrary, prohibited, or invalid, but the remainder of this Agreement shall not be invalid and shall be given full force and effect so far as possible.

(c) Waivers. The failure or delay of any party at any time to

require performance by the other party of any provision of this Agreement, even if known, shall not affect the right of such party to require performance of that provision or to exercise any right, power, or remedy hereunder, and any waiver by any party of any breach of any provision of this Agreement shall not be construed as a waiver of any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power, or remedy under this

Agreement. No notice to or demand on any party in any case shall, of itself, entitle such party to other or further notice or demand in similar or other circumstances.

(d) Power and Authority. The Company represents and warrants to the Executive that it has the requisite corporate power to enter into this Agreement and perform the terms hereof; that the execution, delivery and performance of this Agreement by it has been duly authorized by all appropriate corporate action; and that this Agreement represents the valid and legally binding obligation of the Company and is enforceable against it in accordance with its terms.

(e) Burden and Benefit; Survival. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, personal and legal representatives, successors and assigns.

(f) Governing Law; Headings. This Agreement and its construction, performance, and enforceability shall be governed by, and construed in accordance with, the laws of the State of New Jersey. Headings and titles herein are included solely for convenience and shall not affect, or be used in connection with, the interpretation of this Agreement.

(g) Notices. All notices called for under this Agreement shall be in writing and shall be deemed given upon receipt if delivered personally or by confirmed facsimile transmission and followed promptly by mail, or mailed by registered or certified mail (return receipt requested), postage prepaid, to the parties at their respective addresses (or at such other address for a party as shall be specified by like notice; provided that notices of a change of address shall be effective only upon receipt thereof) as set forth in the preamble to this Agreement or to any other address or addressee as any party entitled to receive notice under this Agreement shall designate, from time to time, to others in the manner provided in this subsection 12(g) for the service of Notices.

Any notice delivered to the party hereto to whom it is addressed shall be deemed to have been given and received on the day it was received; provided, however, that if such day is not a business day then the notice shall be deemed to have been given and received on the business day next following such day. Any notice sent by facsimile transmission shall be deemed to have been given and received on the business day next following the day of transmission.

(h) Arbitration; Remedies. Any dispute or controversy arising under this Agreement or as a result of or in connection with Executive's employment (other than disputes arising under Section 10) shall be arbitrated and settled pursuant to the National Rules for the Resolution of Employment Disputes of the American Arbitration Association which are then in effect. This provision shall also apply to any and all claims that may be brought under any federal or state anti-discrimination or employment statute, rule or regulation, including, but not limited to, claims under; the National Labor Relations Act; Title VII of the Civil Rights Act; Section 1981 through 1988 of Title 42 of the United States Code; the Employee Retirement Income Security Act; the Immigration Reform and Control Act; the Americans with Disabilities Act; the Age Discrimination in Employment Act; the Fair Labor Standards Act; the Occupational Safety and Health Act; the Family and Medical Leave Act and/or the Equal Pay Act. The decision of the arbitrator and award, if any, is final and binding on the parties and the judgement may be entered in any court having jurisdiction thereof. The parties will agree upon an arbitrator from the list of labor arbitrators supplied by the American Arbitration Association. The parties understand and agree, however, that disputes arising under Section 10 of this Agreement may be brought in a court of law or equity without submission to arbitration.

(i) Jurisdiction. Except as otherwise provided for herein, each of the parties: (a) submits to the exclusive jurisdiction of any state court

sitting in Bergen County, New Jersey or federal court sitting in New Jersey in any action or proceeding arising out of or relating to this Agreement; (b) agrees that all claims in respect of the action or proceeding may be heard and determined in any such court; (c) agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court; and (d) waives any right such party may have to a trial by jury with respect to any action or proceeding arising out of or relating to this Agreement. Each of the parties waives any defense of inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other party with respect thereto. Any party may make service on another party by sending or delivering a copy of the process to the party to be served at the address and in the manner provided for giving of notices in Section 12(g). Nothing in this Section 12(i), however, shall affect the right of any party to serve legal process in any other manner permitted by law.

(j) Number of Days. In computing the number of days for purposes of this Agreement, all days shall be counted, including Saturdays, Sundays and holidays; provided, however, that if the final day of any time period falls on a Saturday, Sunday or holiday on which federal banks are or may elect to be closed, then the final day shall be deemed to be the next day which is not a Saturday, Sunday or such holiday.

THIS AGREEMENT CONTAINS VERY IMPORTANT TERMS GOVERNING YOUR EMPLOYMENT. IN PARTICULAR, PARAGRAPH 10 AFFECTS YOUR ABILITY TO TAKE CERTAIN ACTIONS FOLLOWING THE TERMINATION OF THIS AGREEMENT. YOU SHOULD SEEK ADVICE FROM YOUR ATTORNEY REGARDING ANY MATTER RELATING TO THIS AGREEMENT. BY EXECUTING THIS AGREEMENT, YOU ARE AFFIRMING THAT YOU HAVE HAD THE OPPORTUNITY TO REVIEW THIS AGREEMENT AND TO CONSULT WITH YOUR ATTORNEY IF YOU SO DESIRED, THAT YOU UNDERSTAND THE MEANING AND SIGNIFICANCE OF ALL OF ITS PROVISIONS, THAT NO REPRESENTATIONS OR PROMISES HAVE BEEN MADE TO YOU REGARDING YOUR EMPLOYMENT WHICH ARE NOT SET FORTH IN THIS AGREEMENT, AND THAT YOU ARE FREELY SIGNING THIS AGREEMENT TO OBTAIN EMPLOYMENT WITH THE COMPANY.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first above written.

/s/ Stephen Cotugno

STEPHEN COTUGNO

PROFESSIONAL DETAILING, INC.,
a Delaware corporation

By: /s/ Charles T. Saldarini

Charles T. Saldarini
Chief Executive Officer

EXHIBIT 21.1

SUBSIDIARIES OF THE REGISTRANT

- PDI Investment Company, Inc. - Delaware
- TVG, Inc. - Delaware
- ProtoCall, Inc. - New Jersey
- LifeCycle Ventures, Inc. - Delaware

EXHIBIT 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the incorporation by reference in the Registration Statement of Professional Detailing, Inc. on Form S-8 (File No. 333-61231) and in the Registration Statement of Professional Detailing, Inc. on Form S-3 (File No. 333-50024) of our report dated February 13, 2001, on our audit of the financial statements of Professional Detailing, Inc. as of December 31, 2000 and 1999, and for the years ended December 31, 2000, 1999 and 1998, which report is included in this Annual Report on Form 10-K.

/s/ PricewaterhouseCoopers LLP

Florham Park, New Jersey
March 28, 2001

EXHIBIT 23.2

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have issued our report dated February 3, 1999, accompanying the 1998 financial statements (not presented separately herein) of TVG, Inc. included in this Annual Report of Professional Detailing, Inc. on Form 10-K. We consent to the incorporation by reference in the Registration Statement of Professional Detailing, Inc. on Form S-8 (File No. 333-61231) and in the Registration Statement of Professional Detailing, Inc. on Form S-3 (File No. 333-50024).

/s/ Grant Thornton LLP

Philadelphia, Pennsylvania
March 28, 2001