

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

**FORM 8-K
CURRENT REPORT**

PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934
Date of Report (Date of earliest event reported: November 12, 2013)

PDI, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE
(State or other jurisdiction of incorporation)

0-24249
(Commission File Number)

22-2919486
(IRS Employer Identification No.)

Morris Corporate Center 1, Building A
300 Interpace Parkway,
Parsippany, NJ 07054
(Address of principal executive offices and zip Code)

(862) 207-7800
Registrant's telephone number, including area code:

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
-

Item 2.02 Results of Operations and Financial Condition

On November 12, 2013, PDI, Inc. issued a press release announcing its results of operations and financial condition for the quarter ended September 30, 2013. The full text of the press release is set forth as Exhibit 99.1 attached hereto and is incorporated herein by reference.

The information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as otherwise stated in such filing.

Item 9.01 Financial Statements and Exhibits.

(c) **Exhibits**

Exhibit No.	Description
99.1	Press Release dated November 12, 2013.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

PDI, INC.

By: /s/ Jeffrey Smith
Jeffrey Smith
Chief Financial Officer

Date: November 12, 2013

Exhibit Index

Exhibit No.	Description
99.1	Press Release dated November 12, 2013.



INVESTOR CONTACT:

Bob East
 Westwicke Partners
 (443) 213-0502
bob.east@westwicke.com

PDI Reports Third Quarter 2013 Financial Results

Parsippany, N.J., November 12, 2013 - PDI, Inc. (Nasdaq: PDII), today reported financial and operational results for the third quarter ended September 30, 2013. Third quarter and subsequent financial and operational accomplishments include:

- Revenues increased 8% to \$34.3 million for the third quarter of 2013 and 25% to \$114.4 million for the nine months of 2013 compared to the same periods last year
- Adjusted EBITDA (a non-GAAP financial measure) of \$(1.3) million for the 2013 third quarter and \$1.8 million for the nine months of 2013
- Entered into two collaboration agreements to commercialize molecular diagnostic tests in concert with our strategic plan
- Signed new sales services contracts during the third quarter, totaling approximately \$8.0 million

Condensed Summary Statements of Continuing Operations
 (\$'s in millions, except per share data)

	3rd Quarter Ended		Nine Months Ended	
	September 30,*		September 30,*	
	2013	2012	2013	2012
Revenue, net	\$ 34.3	\$ 31.8	\$ 114.4	\$ 91.3
Gross profit	4.7	5.9	20.0	19.9
Operating expenses:				
Compensation expense	4.2	4.1	13.3	12.7
Other SG&A	2.5	2.6	7.4	8.4
Total operating expenses	6.7	6.7	20.7	21.2
Operating loss	\$ (2.0)	\$ (0.8)	\$ (0.6)	\$ (1.3)
Provision for income tax	0.1	0.1	0.2	0.2
Loss from continuing operations	\$ (2.1)	\$ (0.8)	\$ (0.9)	\$ (1.5)
Diluted loss per share from continuing operations	\$ (0.14)	\$ (0.06)	\$ (0.06)	\$ (0.10)

*Unaudited

CEO Comments

Nancy Lurker, Chief Executive Officer of PDI, Inc. commented, "Revenues for the third quarter and nine months were up 8% and 25%, respectively, driven by contracts signed at the end of 2012 and early 2013. While gross profit as a percentage of net revenues, as anticipated, was down compared to last year and the first half of this year, operating costs were essentially flat compared to last year and lower compared to the second quarter of 2013, as a result of continuing expense controls."

"We now anticipate our operating loss for the full year to be less than previously estimated. Even though we are now targeting revenue growth of roughly 20% for 2013, due to a lack of FDA approval on one assignment, and a pending product acquisition not occurring on another assignment, we still anticipate full year gross profit dollars to approach last year's levels. While we continue to fully invest in our previously disclosed strategic initiatives, these related expenses should be offset to a large degree by our ongoing expense control efforts. We now anticipate that total operating expenses will increase only modestly for the full year, resulting in operating income better than originally expected. We also expect Adjusted EBITDA, our measure of cash flow from operations, to be positive for the year.

Ms. Lurker further commented, "During the third quarter, we continued to execute on our strategic initiatives of enhancing systems in our core business, investing in new technology for our Group DCA segment, and launching our molecular diagnostic strategy. Over the last several months, we have announced two significant opportunities to commercialize innovative molecular diagnostics tests. These types of opportunities allow us to leverage our existing capabilities and enter into new, high growth markets. By positioning PDI as a premier commercialization partner to both the life science and molecular diagnostic industries, we expect to deliver more predictable, higher growth, and higher margin revenue to our shareholders."

"Further strengthening our molecular diagnostic strategy, we recently announced that John Climaco joined our board of directors. John has had an extensive career as a CEO in the molecular diagnostic field and we look forward to his active contribution and pertinent perspective."

Third Quarter Business Review

Revenue- For the third quarter of 2013, revenue of \$34.3 million was \$2.5 million or 8% higher than the third quarter of 2012 driven by an increase in the company's Sales Services segment.

- Sales Services revenue of \$30.7 million was \$5.7 million higher than the third quarter of 2012 driven by 2012 multi-year new contract wins being executed in 2013 and contracts won earlier this year.
 - Marketing Services revenue of \$0.8 million was \$1.4 million lower than the third quarter of 2012 due primarily to fewer contract signings by Group DCA.
 - Product Commercialization Services revenue of \$2.7 million was \$1.8 million lower than the third quarter of 2012 due to the internalization of selected commercialization activities by a customer effective October 1, 2012.
-

Gross Profit- For the third quarter of 2013, gross profit of \$4.7 million was \$1.2 million lower than the third quarter of 2012 and, as anticipated, the overall gross profit percentage decreased to 14% in 2013 from 19% in 2012.

- Sales Services gross profit of \$4.0 million was \$0.1 million lower than the third quarter of 2012 due to previously disclosed competitive pricing pressures.
- Marketing Services gross profit for the third quarter of 2013 was approximately breakeven due to the decline in this segment's revenue.
- Product Commercialization Services gross profit of \$0.7 million was \$0.7 million lower compared to 2012 as a result of lower revenue due to the internalization of commercialization activities by a customer as previously mentioned.

Total Operating Expenses- Total operating expenses for the third quarter of 2013 of \$6.7 million was essentially flat compared to the same period in 2012. The company's costs savings initiatives offset the company's investment in strategic initiatives.

Operating Loss- The operating loss for the third quarter of 2013 was \$2.1 million, compared to \$0.8 million in the third quarter of 2012. The \$1.3 million increase in 2013 operating loss was primarily the result of lower margins on new business in our Sales Services segment.

Liquidity and Cash Flow- Adjusted EBITDA (a non-GAAP measure defined in the release) for the third quarter of 2013 was \$(1.3) million compared to \$0.2 million in the third quarter of 2012. Adjusted EBITDA year to date was \$1.8 million as compared to \$1.7 million last year. Cash and cash equivalents at the end of the third quarter were \$49.6 million, down \$3.2 million from December 31, 2012, due primarily to working capital changes and capital expenditures.

As of September 30, 2013, the company's cash equivalents were predominantly invested in U.S. Treasury money market funds and the company had no commercial debt.

Non-GAAP Financial Measures

In addition to the United States generally accepted accounting principles, or GAAP, results provided throughout this document, PDI has provided certain non-GAAP financial measures to help evaluate the results of its performance. The company believes that these non-GAAP financial measures, when presented in conjunction with comparable GAAP financial measures, are useful to both management and investors in analyzing the company's ongoing business and operating performance. The company believes that providing the non-GAAP information to investors, in addition to the GAAP presentation, allows investors to view the company's financial results in the way that management views financial results.

In this document, the company discusses Adjusted EBITDA, a non-GAAP financial measure. Adjusted EBITDA is a metric used by management to measure cash flow of the ongoing business. Adjusted EBITDA is defined as operating income or loss, plus depreciation and amortization, non-cash stock-based compensation, and other non-cash expenses. The table below includes a reconciliation of this non-GAAP financial measure to the most directly comparable GAAP financial measure.

Adjusted EBITDA (Unaudited)

(\$ in thousands)

	3rd Quarter Ended		Nine Months Ended	
	September 30,		September 30,	
	2013	2012	2013	2012
Operating loss	\$ (2,052)	\$ (756)	\$ (646)	\$ (1,293)
Depreciation and amortization	345	494	922	1,490
Stock compensation	446	484	1,519	1,520
Adjusted EBITDA	\$ (1,261)	\$ 222	\$ 1,795	\$ 1,717

Conference Call

As previously announced, PDI will hold a conference call Tuesday, November 12, 2013 to discuss financial and operational results of the third quarter ended September 30, 2013. Details as follows:

Time: 5:00 PM (ET)

Dial-in numbers: (866) 644-4654 (U.S. and Canada) or (706) 643-1203

Conference ID#: 89659377

Live webcast: www.pdi-inc.com, under "Investor Relations"

The teleconference replay will be available three hours after completion through November 17, 2013 at (855) 859-2056 (U.S. and Canada) or (404) 537-3406. The replay pass code is 89659377. The archived web cast will be available for one year.

About PDI, Inc.

PDI is a leading health care commercialization company providing superior insight-driven, integrated multi-channel message delivery to established and emerging health care companies. The company is dedicated to enhancing engagement with health care practitioners and optimizing commercial investments for its clients by providing strategic flexibility, full product commercialization services, innovative multi-channel promotional solutions, and sales and marketing expertise. For more information, please visit the company's website at <http://www.pdi-inc.com>.

Forward-Looking Statements

This press release contains forward-looking statements regarding future events and financial performance. These statements are based on current expectations and 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 PDI's control. These statements also involve known and unknown risks, uncertainties and other factors that may cause PDI's actual results to be materially different from those expressed or implied by any forward-looking statement. For example, with respect to statements regarding projections of future revenues, growth and profitability, actual results may differ materially from those set forth in this release based on the loss, early termination or significant reduction of any of our existing service contracts, the failure to meet performance goals in PDI's incentive-based arrangements with customers or the inability to secure additional business. Additionally, all forward-looking statements are subject to the risk factors detailed from time to time in PDI's periodic filings with the Securities and Exchange Commission, including without limitation, PDI's Annual Report on Form 10-K for the year ended December 31, 2012, and PDI's subsequently filed quarterly reports on Form 10-Q and current

reports on Form 8-K. Because of these and other risks, uncertainties and assumptions, undue reliance should not be placed on these forward-looking statements. In addition, these statements speak only as of the date of this press release and, except as may be required by law, PDI undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

(Tables to Follow)

PDI, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(in thousands, except per share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	2013	2012
Revenue, net	\$ 34,260	\$ 31,781	\$ 114,428	\$ 91,267
Cost of services	29,564	25,842	94,410	71,392
Gross profit	4,696	5,939	20,018	19,875
Compensation expense	4,231	4,075	13,300	12,726
Other selling, general and administrative expenses	2,517	2,620	7,364	8,442
Total operating expenses	6,748	6,695	20,664	21,168
Operating loss	(2,052)	(756)	(646)	(1,293)
Other income (expense), net	3	-	(30)	(15)
Loss from continuing operations before income tax	(2,049)	(756)	(676)	(1,308)
Provision for income tax	64	74	192	219
Loss from continuing operations	(2,113)	(830)	(868)	(1,527)
Loss from discontinued operations, net of tax	(28)	(189)	(31)	(204)
Net loss	<u>\$ (2,141)</u>	<u>\$ (1,019)</u>	<u>\$ (899)</u>	<u>\$ (1,731)</u>
Basic and diluted loss per share of common stock:				
From continuing operations	\$ (0.14)	\$ (0.06)	\$ (0.06)	\$ (0.10)
From discontinued operations	(0.01)	(0.01)	-	(0.02)
Net loss per basic and diluted share of common stock	<u>\$ (0.15)</u>	<u>\$ (0.07)</u>	<u>\$ (0.06)</u>	<u>\$ (0.12)</u>
Weighted average number of common shares and common share equivalents outstanding:				
Basic	14,740	14,609	14,708	14,580
Diluted	14,740	14,609	14,708	14,580

Segment Data (Unaudited)
(\$ in thousands)

	Sales Services	Marketing Services	PC Services*	Consolidated
Three months ended September 30, 2013:				
Revenue, net	\$ 30,748	\$ 781	\$ 2,731	\$ 34,260
Gross profit	\$ 4,038	\$ (10)	\$ 668	\$ 4,696
Gross profit %	13.1%	-1.3%	24.5%	13.7%
Three months ended September 30, 2012:				
Revenue, net	\$ 25,021	\$ 2,196	\$ 4,564	\$ 31,781
Gross profit	\$ 4,157	\$ 421	\$ 1,361	\$ 5,939
Gross profit %	16.6%	19.2%	29.8%	18.7%
Nine months ended September 30, 2013:				
Revenue, net	\$ 101,267	\$ 3,966	\$ 9,195	\$ 114,428
Gross profit	\$ 16,609	\$ 1,012	\$ 2,397	\$ 20,018
Gross profit %	16.4%	25.5%	26.1%	17.5%
Nine months ended September 30, 2012:				
Revenue, net	\$ 68,539	\$ 8,061	\$ 14,667	\$ 91,267
Gross profit	\$ 13,138	\$ 2,691	\$ 4,046	\$ 19,875
Gross profit %	19.2%	33.4%	27.6%	21.8%

* Product Commercialization (PC) Services

Selected Balance Sheet Data (Unaudited)
(\$ in thousands)

	September 30, 2013	December 31, 2012
Cash and cash equivalents	\$ 49,627	\$ 52,783
Total current assets	\$ 66,524	\$ 71,583
Total current liabilities	31,626	36,390
Working capital	\$ 34,898	\$ 35,193
Total assets	\$ 73,214	\$ 78,447
Total liabilities	\$ 37,207	\$ 42,817
Total stockholders' equity	\$ 36,007	\$ 35,630

Selected Cash Flow Data (Unaudited)
(\$ in thousands)

	September 30, 2013	December 31, 2012
Net loss	\$ (899)	\$ (1,731)
Non-cash items:		
Depreciation and amortization	922	1,490
Stock-based compensation	1,519	1,520
Other	115	106
Net change in assets and liabilities	(1,420)	(4,540)
Net cash provided by (used in) operations	\$ 237	\$ (3,155)
Change in cash and cash equivalents	\$ (3,156)	\$ (3,808)