

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, 2002

PDI, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE 0-24249 22-2919486
(State or other jurisdiction (Commission File Number) (IRS Employer
of incorporation) Identification No.)

10 Mountainview Road,
Upper Saddle River, NJ 07458
(Address of principal executive office) (Zip Code)

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

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

Item 5. Other Events

On November 12, 2002, the Registrant issued the following press release:

PDI REPORTS THIRD QUARTER 2002 FINANCIAL RESULTS AND
PROVIDES 2003 GUIDANCE

PDI and Lilly mutually agree to terminate Evista(R)
agreement effective December 31, 2002 PDI reduces
SG&A through headcount reductions and facilities consolidation
PDI projects \$0.40 to \$0.45 per share earnings for 2003

Upper Saddle River, New Jersey (Tuesday, November 12, 2002). PDI, Inc.
(Nasdaq:PDII) a commercial sales and marketing partner to the biopharmaceutical
and medical devices and diagnostics industries, today announced its third
quarter financial results and that it has taken the steps necessary to return
the company to profitability in 2003.

Third Quarter and Nine Months ended September 30, 2002 - Results As Reported

(dollars in millions, except per share data)

Quarter ended September 30, Nine months ended September 30,

	2002	2001	2002	2001
	----	----	----	----
Net revenue	\$ 64.6	\$ 115.7	\$ 205.0	\$ 432.7
Operating (loss)	(22.5)	(29.5)	(41.9)	(6.4)
Net (loss)	\$ (14.3)	\$ (17.3)	\$ (25.8)	\$ (1.9)
(Loss) per share	\$ (1.02)	\$ (1.24)	\$ (1.84)	\$ (0.14)

Third Quarter Results

Net total revenue for the quarter ended September 30, 2002 was \$64.6 million,
44.2% less than net total revenue of \$115.7 million for the quarter ended
September 30, 2001. There was an operating loss of \$22.5 million for the quarter
ended September 30, 2002 compared to an operating loss of \$29.5 million for the
quarter ended September 30, 2001. There was a net loss of \$14.3 million for the

quarter ended September 30, 2002 compared to a net loss of \$17.3 million for the quarter ended September 30, 2001. The net loss per share for the quarter ended September 30, 2002 was \$1.02 compared to a net loss per share of \$1.24 for the quarter ended September 30, 2001.

Nine Months Results

Net total revenue for the nine months ended September 30, 2002 was \$205.0 million, 52.6% lower than net total revenue of \$432.7 million for the nine months ended September 30, 2001. There was an operating loss of \$41.9 million for the nine months ended September 30, 2002 compared to an operating loss of \$6.4 million for the nine months ended September 30, 2001. There was a net loss of \$25.8 million for the nine months ended September 30, 2002 compared to a net loss of \$1.9 million for the nine months ended September 30, 2001. There was a net loss per

share of \$1.84 for the nine months ended September 30, 2002 compared to a net loss per share of \$0.14 for the nine months ended September 30, 2001.

Third Quarter and Nine Months ended September 30, 2002 - Results Reflecting the Effect of Special Charges

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(dollars in millions, except per share data)

	Quarter ended September 30, 2002		Nine months ended September 30, 2002	
	As Reported	Effect of Special Charges	As Reported	Effect of Special Charges
Net revenue as reported	\$ 64.6	\$ 64.6	\$ 205.0	\$ 205.0
Operating (loss) as reported	(22.5)	(22.5)	(41.9)	(41.9)
Special charges:				
Restructuring activities		1.2		1.2
Evista unused sales force capacity		2.4		6.2
Evista contract operating activities		6.7		24.4
Evista contract loss reserve		7.8		7.8
Operating (loss)	(22.5)	(4.4)	(41.9)	(2.3)
Net (loss)	\$(14.3)	\$(2.6)	\$(25.8)	\$(0.4)
(Loss) per share	\$(1.02)	\$(0.18)	\$(1.84)	\$(0.03)

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Third Quarter Results

Special charges (see Table above) impacting the operating loss for the quarter ended September 30, 2002 include restructuring charges, non-recurring charges and accelerated depreciation totaling \$1.2 million (restructuring activities); \$2.4 million of unused Evista sales force capacity; \$6.7 million of actual third quarter Evista operating losses and a \$7.8 million reserve for losses estimated to be incurred through the December 31, 2002 Evista contract termination date. Excluding these special charges, the third quarter operating loss, net loss and net loss per share were \$4.4 million, \$2.6 million and \$0.18, respectively.

Nine Months Results

Special charges (see Table above) impacting the operating loss for the nine months ended September 30, 2002 include restructuring charges, non-recurring charges and accelerated depreciation totaling \$1.2 million (restructuring activities); \$6.2 million of unused Evista sales force capacity; \$24.4 million of actual year-to-date Evista operating losses and a \$7.8 million reserve for losses estimated to be incurred through the December 31, 2002 Evista contract termination date. Excluding these special charges, the nine-month operating loss, net loss and net loss per share were \$2.3 million, \$0.4 million and \$0.03, respectively.

Termination of Evista Agreement

On November 11, 2002, PDI and Eli Lilly and Company mutually agreed to terminate, as of December 31, 2002, the agreement whereby PDI provides sales support for Evista.

Charles T. Saldarini, vice chairman and chief executive officer of PDI, said, "We held the belief that the joint promotional efforts of PDI and Lilly would boost Evista sales sufficiently for us to realize our revenue and profit goals, but that has clearly not occurred. In addition we were unsuccessful in fully leveraging the sales force. We are very pleased to put this agreement behind us and to focus our organization and our investors on our improving outlook and long term business strategy."

Reduction of SG&A and Forward-Looking Guidance

PDI further announced that it has effected a corporate restructuring in response to the ongoing contraction in demand for its sales and marketing services. As a result, PDI will incur an aggregate of \$6.4 million of restructuring charges, non-recurring charges and accelerated depreciation spread between the third and fourth quarters of 2002 and a minimal amount in the second quarter of 2003. These charges consist of headcount reduction and facilities consolidation, including \$3.6 million in severance costs, \$1.7 million in facilities consolidation costs, \$0.3 million in fixed asset write-offs and \$0.8 million of accelerated depreciation related to the planned disposals of fixed assets.

Giving effect to its restructuring and cost savings measures, PDI announced the following projected revenue, earnings per share and selected balance sheet information:

(dollars in millions, except per share data)	Quarter ending December 31, 2002	Year ending December 31, 2003
Revenue	\$65 to \$70	\$250 to \$260
Earnings per share	\$0.08 to \$0.10 *	\$0.40 to \$0.45
Cash and cash equivalents	\$75 to \$80	\$85 to \$90
Working capital	\$90 to \$95	\$100 to \$105

* Excluding restructuring charges

"We have eliminated the uncertainties surrounding the Evista program that have adversely impacted 2002 results, and we are again able to provide visibility on our future financial performance and look forward to rewarding our shareholders with a return to profitability. After giving effect to the fourth quarter charges announced today, we expect to make \$0.08 to \$0.10 per share in the fourth quarter of 2002 and \$0.40 to \$0.45 per share in 2003," stated Saldarini. "We have carefully analyzed our cost infrastructure in light of our evolving business model and have implemented cost saving initiatives that we believe will result in projected SG&A savings in 2003 of approximately \$14 million. We have accomplished this without adversely affecting our business model and growth strategy." He added, "PDI maintains a strong balance sheet which will be a valuable asset in successfully implementing our 2003 business plan".

Webcast and Conference Call

PDI will conduct a live webcast of its Earnings Release Briefing at 9:00 AM EDT on Wednesday, November 13, 2002. The live webcast of the event will be accessible through PDI's website, www.pdi-inc.com and will be archived on the website for future on-demand replay. For those without Internet access, the call can be accessed by dialing 1-877-423-4030 and asking for the PDI Earnings Release Conference Call.

About PDI

PDI is a commercial partner providing sales and marketing solutions to the biopharmaceutical and medical devices and diagnostics industries. PDI provides customized solutions for our clients, but can also license, acquire or develop products.

PDI's services include marketing research, medical education and communications, managed markets and trade relations, and after sales support, along with sales

teams, both dedicated and shared.

For more information, visit the Company's website at www.pdi-inc.com.

This press release contains forward-looking statements regarding the timing and financial impact of the Company's ability to implement its business plan, expected revenues, earnings per share and success during the fourth quarter of 2002 and calendar 2003. These statements involve a number of risks and uncertainties and are based on assumptions involving judgments with respect to future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond PDI's control. Some of the important factors that could cause actual results to differ materially from those indicated by the forward-looking statements are general economic conditions, changes in our operating expenses, adverse patent or FDA developments, competitive pressures, changes in customer and market requirements and standards, and the risk factors detailed from time to time in PDI's periodic filings with the Securities and Exchange Commission, including without limitation PDI's Annual Report on Form 10-K for the year ended December 31, 2001. The forward looking-statements in this press release are based upon management's reasonable belief as of the date hereof. PDI disclaims any obligation to update these statements.

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

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	September 30, 2002	December 31, 2001	
	-----	-----	
	(unaudited)		
<S>	<C>	<C>	
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 83,941	\$ 160,043	
Short-term investments	1,869	7,387	
Inventory, net	--	442	
Accounts receivable, net of allowance for doubtful accounts of \$986 and \$3,692 as of September 30, 2002 and December 31, 2001, respectively	24,245	52,640	
Unbilled costs and accrued profits on contracts in progress		9,333	6,898
Deferred training	3,193	5,569	
Other current assets	17,504	8,101	
Deferred tax asset	24,041	24,041	
	-----	-----	
Total current assets	164,126	265,121	
Net property, plant & equipment	19,951	21,044	
Other long-term assets	14,396	16,506	
	-----	-----	
Total assets	\$ 198,473	\$ 302,671	
	=====	=====	

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:			
Accounts payable	\$ 4,685	\$ 9,493	
Accrued returns, rebates and sales discounts	17,590	68,403	
Accrued contract losses	7,781	12,256	
Accrued incentives	15,319	22,213	
Accrued salaries and wages	5,472	7,167	
Unearned contract revenue	8,026	10,878	
Other accrued expenses	11,477	21,026	
	-----	-----	
Total current liabilities	70,350	151,436	
	-----	-----	
Long-term liabilities:			
Deferred tax liability	950	300	
	-----	-----	
Total long-term liabilities	950	300	

Total liabilities	\$ 71,300	\$ 151,736
Stockholders' equity:		
Common stock, \$.01 par value, 100,000,000 shares authorized: shares issued and outstanding, September 30, 2002 - 14,063,438, December 31, 2001 - 13,968,097; restricted shares issued and outstanding, September 30, 2002 - 44,325, December 31, 2001 - 15,388	\$ 141	\$ 140
Preferred stock, \$.01 par value, 5,000,000 shares authorized, no shares issued and outstanding	--	--
Additional paid-in capital	104,252	102,757
Additional paid-in capital, restricted	1,547	954
Retained earnings	22,236	48,008
Accumulated other comprehensive loss	(141)	(79)
Unamortized compensation costs	(752)	(735)
Treasury stock, at cost: 5,000 shares	(110)	(110)
Total stockholders' equity	\$ 127,173	\$ 150,935
Total liabilities & stockholders' equity	\$ 198,473	\$ 302,671

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

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	Three Months Ended September 30,		Nine Months Ended September 30,	
	2002	2001	2002	2001
	(unaudited)			
	<C>	<C>	<C>	<C>
Revenue				
Service, net	\$ 64,353	\$ 71,129	\$ 198,546	\$ 214,005
Product, net	215	44,544	6,438	218,676
Total revenue, net	64,568	115,673	204,984	432,681
Cost of goods and services				
Program expenses (including related party amounts of \$4 and \$100 for the quarters ended September 30, 2002 and 2001, and \$109 and \$685 for the nine months ended September 30, 2002 and 2001, respectively)		67,475	59,529	200,473
Cost of goods sold	--	51,823	--	168,245
Total cost of goods and services		67,475	111,352	200,473
Gross (loss) profit	(2,907)	4,321	4,511	96,875
Operating expenses				
Compensation expense	9,157	9,282	26,210	29,459
Other selling, general & administrative expenses	9,433	24,560	19,207	73,833
Restructuring and other non-recurring charges	972	--	972	--
Total operating expenses	19,562	33,842	46,389	103,292
Operating loss	(22,469)	(29,521)	(41,878)	(6,417)
Other income, net	459	999	1,704	4,407
Loss before tax benefit	(22,010)	(28,522)	(40,174)	(2,010)
Benefit for income taxes	(7,696)	(11,266)	(14,403)	(85)
Net loss	\$(14,314)	\$(17,256)	\$(25,771)	\$ (1,925)

Basic net loss per share	\$ (1.02)	\$ (1.24)	\$ (1.84)	\$ (0.14)
	=====	=====	=====	=====
Diluted net loss per share	\$ (1.02)	\$ (1.24)	\$ (1.84)	\$ (0.14)
	=====	=====	=====	=====
Basic weighted average number of shares outstanding	14,063	13,876	14,012	13,858
	=====	=====	=====	=====
Diluted weighted average number of shares outstanding	14,063	13,876	14,012	13,858
	=====	=====	=====	=====

</TABLE>

SIGNATURE

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

PDI, INC.

By: /s/ Charles T. Saldarini
Charles T. Saldarini, Vice Chairman
and Chief Executive Officer

Date: November 13, 2002