

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): May 14, 2003

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:

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

Item 7. Financial Statements and Exhibits

Exhibit 99.1 Press Release of PDI, Inc. dated May 14, 2003

Item 9. Regulation FD Disclosure

In accordance with the interim guidance of the Securities and Exchange Commission under Release No. 33-8216, effective March 28, 2003, PDI, Inc. (the "Company") is furnishing the information required by Item 12 of Form 8-K under "Item 9 Regulation FD Disclosure" and information contained in this report (including the exhibit hereto) shall not be deemed filed for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section and shall not be deemed incorporated by reference in any filing by the Company under the Securities Act of 1933, as amended.

On May 14, 2003, the Company issued a press release announcing its results of operations and financial condition for the three months ended March 31, 2003. The full text of the press release is set forth as Exhibit 99.1 attached hereto and incorporated herein by reference.

SIGNATURE

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

PDI, INC.

By: /s/ Charles T. Saldarini

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Charles T. Saldarini, Vice Chairman  
and Chief Executive Officer

Date: May 14, 2003



## [LETTERHEAD OF PDI]

For more information contact:

Stephen P. Cotugno  
Executive Vice President-Corporate Development  
PDI, Inc.  
201.574.8617

PDI REPORTS REVISED 1st QUARTER 2003 EPS OF \$0.05 ON REVENUE OF \$67.5M

Revised EPS of \$0.05 versus previously reported \$0.02 gives effect to settlement of Auxilium litigation for less than previously estimated reserve

Reiterates guidance for 2003 EPS at \$0.48 to \$0.53, excluding settlement expense.

Upper Saddle River, New Jersey (Wednesday, May 14, 2003). PDI, Inc. (Nasdaq:PDII) a commercial sales and marketing provider to the biopharmaceutical and medical devices and diagnostics industries, today announced its final first quarter 2003 financial results. These results give effect to the settlement with Auxilium Pharmaceuticals, Inc. and related expenses, totaling \$2.1 million, an amount less than the \$3.0 million previously estimated by the Company.

Net total revenue for the quarter ended March 31, 2003 was \$67.5 million, 8.6% lower than net total revenue of \$73.9 million for the quarter ended March 31, 2002. Operating income for the quarter ended March 31, 2003 was \$1.1 million, compared to an operating loss of \$4.5 million for the quarter ended March 31, 2002. Net income for the quarter ended March 31, 2003 was \$253778,000 compared to a net loss of \$2.3 million for the quarter ended March 31, 2002. Diluted net income per share was \$0.05 for the quarter ended March 31, 2003 compared to a net loss per share of \$0.16 for the quarter ended March 31, 2002.

Quarter ended  
March 31, 2003  
(in thousands except per share data)

	As Reported	**Excluding Litigation Reserve
Net Revenue	\$67,545	\$67,545
Operating income	1,065	1,065
Special items:		
Litigation settlement		2,100
Operating income	1,065	3,165
Net income	\$ 778	\$ 2,002
Net income per share	\$ 0.05	\$ 0.14

\*\* Adjusted amounts are not in accordance with GAAP, but are presented for analytical purposes.

#### About PDI

PDI is an innovative commercial sales and marketing provider to the biopharmaceutical and medical devices & diagnostics industries. Its three business units offer service and product-based capabilities for companies seeking to maximize profitable brand sales growth. The three units include the PDI Pharmaceutical Products Group, the PDI Sales and Marketing Services Group and the PDI Medical Devices and Diagnostics Group.

For more information, visit the Company's website at [www.pdi-inc.com](http://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 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, FDA or legal 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, 2002. 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.

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

<TABLE>  
<CAPTION>

	March 31, 2003	December 31, 2002	
ASSETS	-----	-----	
<S>	<C>	<C>	
Current assets:			
Cash and cash equivalents .....	\$ 64,255	\$ 66,827	
Short-term investments .....	4,094	5,834	
Inventory, net .....	964	646	
Accounts receivable, net of allowance for doubtful accounts of \$798 and \$1,063 as of March 31, 2003 and December 31, 2002, respectively .....	34,887	40,729	
Unbilled costs and accrued profits on contracts in progress .....		9,472	3,360
Deferred training .....	2,168	1,106	
Prepaid income tax .....	16,204	18,856	
Other current assets .....	5,960	4,804	
Deferred tax asset .....	7,420	7,420	
	-----	-----	
Total current assets .....	145,424	149,582	
Net property and equipment .....	17,266	18,295	
Deferred tax asset .....	7,820	7,820	
Goodwill .....	11,132	11,132	
Other intangible assets .....	2,108	2,261	
Other long-term assets .....	1,749	1,849	
	-----	-----	
Total assets .....	\$ 185,499	\$ 190,939	
	=====	=====	

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:			
Accounts payable .....	\$ 5,011	\$ 5,374	
Accrued returns, rebates and sales discounts .....		16,186	16,500
Accrued incentives .....	9,936	11,758	
Accrued salaries and wages .....	7,191	6,617	
Unearned contract revenue .....	8,164	9,473	
Restructuring accruals .....	1,851	4,699	
Other accrued expenses .....	13,029	13,307	
	-----	-----	
Total current liabilities .....	61,368	67,728	
Total long-term liabilities .....	--	--	
	-----	-----	
Total liabilities .....	\$ 61,368	\$ 67,728	
	-----	-----	

Stockholders' equity:

Common stock, \$.01 par value, 100,000,000 shares authorized: shares issued and outstanding, March 31, 2003 and - 14,165,880, December 31, 2002 -

14,165,880; 44,325 restricted shares issued and outstanding at March 31, 2003 and December 31, 2002 .....	\$ 142	\$ 142
Preferred stock, \$.01 par value, 5,000,000 shares authorized, no shares issued and outstanding .....	--	--
Additional paid-in capital (includes restricted of \$1,547 at March 31, 2003 and December 31, 2002) .....	106,673	106,673
Retained earnings .....	18,025	17,247
Accumulated other comprehensive loss .....	(69)	(100)
Unamortized compensation costs .....	(530)	(641)
Treasury stock, at cost: 5,000 shares .....	(110)	(110)
	-----	-----
Total stockholders' equity .....	\$ 124,131	\$ 123,211
	-----	-----
Total liabilities & stockholders' equity .....	\$ 185,499	\$ 190,939
	=====	=====

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

<TABLE>  
<CAPTION>

	Three Months Ended March 31,	
	2003	2002
	-----	-----
<S>	<C>	
Revenue		
Service, net .....	\$67,511	\$ 68,160
Product, net .....	34	5,723
	-----	-----
Total revenue, net .....	67,545	73,883
	-----	-----
Cost of goods and services		
Program expenses (including related party amounts of \$73 and \$97 for the periods ended March 31, 2003 and 2002, respectively) .....	49,881	67,277
Cost of goods sold .....	62	--
	-----	-----
Total cost of goods and services .....	49,943	67,277
	-----	-----
Gross profit .....	17,602	6,606
Operating expenses		
Compensation expense .....	8,874	7,759
Other selling, general and administrative expenses .....	5,833	3,325
Restructuring and other related expenses .....	(270)	--
Litigation settlement .....	2,100	--
	-----	-----
Total operating expenses .....	16,537	11,084
	-----	-----
Operating income (loss) .....	1,065	(4,478)
Other income, net .....	269	889
	-----	-----
Income (loss) before provision for taxes .....	1,334	(3,589)
Provision (benefit) for income taxes .....	556	(1,322)
	-----	-----
Net income (loss) .....	\$ 778	\$ (2,267)
	=====	=====
Basic net income (loss) per share .....	\$ 0.05	\$ (0.16)
	=====	=====
Diluted net income (loss) per share .....	\$ 0.05	\$ (0.16)
	=====	=====
Basic weighted average number of shares outstanding .....	14,166	13,969
	=====	=====

Diluted weighted average number of shares outstanding ..... 14,237 13,969

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