

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): March 3, 2004

PDI, INC.

(Exact name of Registrant as specified in its charter)

DELAWARE	0-24249	22-2919486
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer 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 7. Financial Statements and Exhibits

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

Item 12. Results of Operations and Financial Conditions.

On March 3, 2004, the Company issued a press release announcing its results of operations and financial condition for the year ended December 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

Charles T. Saldarini, Vice Chairman
and Chief Executive Officer

Date: March 3, 2004

[LETTERHEAD OF PDI]

For more information contact:

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

PDI REPORTS FOURTH QUARTER AND YEAR END 2003 FINANCIAL RESULTS

2003 EPS \$0.85 as reported, \$1.43 excluding litigation settlement and
Ceftin reserve increase

Upper Saddle River, New Jersey (Wednesday, March 3, 2004). PDI, Inc. (Nasdaq:PDII) a healthcare sales and marketing company, today announced its fourth quarter and year end 2003 financial results.

Fourth Quarter Results

Net revenue for the quarter ended December 31, 2003 was \$92.4 million, 16.9% more than net revenue of \$79.0 million for the quarter ended December 31, 2002. Operating income was \$7.4 million for the quarter ended December 31, 2003, compared to an operating loss of \$8.3 million for the quarter ended December 31, 2002. Net income was \$4.5 million for the quarter ended December 31, 2003, compared to a net loss of \$5.0 million in the quarter ended December 31, 2002. Diluted net income per share for the quarter ended December 31, 2003 was \$0.31 versus a net loss per share of \$0.35 for the quarter ended December 31, 2002.

Twelve Months Results

Net revenue for the twelve months ended December 31, 2003 was \$317.4 million, 11.8% higher than net revenue of \$284.0 million for the twelve months ended December 31, 2002. Operating income was \$19.6 million for the twelve months ended December 31, 2003 compared to an operating loss of \$50.2 million for the twelve months ended December 31, 2002. Net income was \$12.3 million for the twelve months ended December 31, 2003 compared to a net loss of \$30.8 million for the twelve months ended December 31, 2002. Diluted net income per share for the twelve months ended December 31, 2003 was \$0.85 compared to a net loss per share of \$2.19 for the twelve months ended December 31, 2002.

In the fourth quarter, the Company increased its reserve to account for anticipated returns of Ceftin, a cephalosporin antibiotic, by \$12 million, bringing the total amount in reserve to \$22.8 million. During the fourth quarter, PDI was made aware by certain wholesalers of previously undisclosed amount of Ceftin that remained in inventory. A full explanation is enclosed in the Company's 2003 annual report on form 10-K.

2003 operating income and net income per share results, excluding the litigation settlement recorded in the first quarter and Ceftin reserve increase recorded in the fourth quarter, are as follows:

<TABLE>
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Twelve Months Ended
December 31, 2003
(in thousands except per share data)

	Net Revenue	Gross Profit	Operating Income	Diluted Net Income	Net Income Per Share
<S>	<C>	<C>	<C>	<C>	<C>
As reported	\$317,448	\$ 89,081	\$19,590	\$12,258	\$0.85

After adjustment for:

*Litigation settlement (\$2.1 million pretax) \$317,448 \$ 89,081 \$21,690 \$13,503 \$0.94

After adjustment for:

*Ceftin reserve increase (\$12.0 million pretax) and Litigation settlement (\$2.1 million pretax)	\$329,448	\$101,081	\$33,690	\$20,621	\$1.43
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* Adjusted amounts are not in accordance with GAAP, but are presented for analytical purposes.

Excluding the Ceftin reserve increase referred to above, operating income for the fourth quarter of 2003 exceeded our previous estimates for the quarter by approximately \$12 million. Operating income increased by approximately \$2 million due to additional revenue generated by the Lotrel/Diovan team and by other operating units within the sales and marketing services segment. Approximately \$4 million of operating income was generated by our Lotensin team as the team successfully achieved certain prescribed target levels for prescriptions; the prescription data necessary to calculate the attainment of this target became available in mid-January 2004. The fourth quarter also benefited from the lower than anticipated costs of approximately \$2.3 million for program expenses and approximately \$3.3 million for SG&A.

Charles T. Saldarini, Vice Chairman and CEO of PDI, stated, "The year 2003 was a pivotal one for PDI. We set out to return our organization to profitability. Due to significant new business wins and program execution in the contract sales business and an impressive performance turned in by our Lotensin team, we feel that our goals were achieved over the course of the year. Overall, I am pleased with our efforts and optimistic about what we can accomplish in 2004."

Webcast Conference Call

PDI will conduct a live webcast of its Earnings Release Briefing at 9:00 AM EDT on Thursday, March 4, 2004. The live webcast of the event will be accessible through PDI's website, www.pdi-inc.com and will be archived on the website for future on-demand replay. For those without internet access, the call can be accessed by dialing 1-877-423-4030 within the US and 1-706-634-1929 internationally and asking for the PDI Earnings Release Conference Call. The call will be archived for two weeks and can be accessed by calling 1-800-642-1687 or 1-706-645-9291 and entering the conference ID number 5549828.

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About PDI

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

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

Forward Looking Statement

This press release contains forward-looking statements regarding future events and financial performance. These statements involve a number of risks and uncertainties and are based on numerous assumptions involving judgments with respect to future economic, competitive and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond PDI's control. Some of the important factors that could cause actual results to differ materially from those indicated by the forward-looking statements are general economic conditions, changes in our operating expenses, adverse patent rulings, FDA or legal developments, competitive pressures, failure to meet performance benchmarks in significant contracts, changes in customer and market requirements and standards, and the risk factors detailed from time to time in PDI's periodic filings with the Securities and Exchange Commission, including without limitation, PDI's Annual Report on Form 10-K for the year ended December 31, 2003, and PDI's periodic reports on Forms 10-Q and 8-K filed with the Securities and Exchange Commission since January 1, 2003. The forward looking-statements in

this press release are based upon management's reasonable belief as of the date hereof. PDI undertakes no obligation to revise or update publicly any forward-looking statements for any reason.

PDI, INC.
CONSOLIDATED BALANCE SHEETS

<TABLE>
<CAPTION>

	December 31,	
	2003	2002
	-----	-----
ASSETS	(in thousands)	
<S>	<C>	<C>
Current assets:		
Cash and cash equivalents	\$ 113,288	\$ 66,827
Short-term investments	1,344	5,834
Inventory, net of obsolescence reserve of \$818 and \$0 as of December 31, 2003 and 2002, respectively	43	646
Accounts receivable, net of allowance for doubtful accounts of \$749 and \$1,063 as of December 31, 2003 and 2002, respectively	40,885	40,729
Unbilled costs and accrued profits on contracts in progress	4,041	3,360
Deferred training	1,643	1,106
Prepaid income tax	--	18,856
Other current assets	8,847	4,804
Deferred tax asset	11,053	7,420
	-----	-----
Total current assets	181,144	149,582
Net property and equipment	14,494	18,295
Deferred tax asset	7,304	7,820
Goodwill	11,132	11,132
Other intangible assets	1,648	2,261
Other long-term assets	3,901	1,849
	-----	-----
Total assets	\$ 219,623	\$ 190,939
	=====	=====

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 8,689	\$ 5,374
Accrued rebates, sales discounts and returns	22,811	16,500
Accrued incentives	20,486	11,758
Accrued salaries and wages	9,031	6,617
Unearned contract revenue	3,604	9,473
Restructuring accruals	744	4,699
Other accrued expenses	15,770	13,307
	-----	-----
Total current liabilities	81,135	67,728
Long-term liabilities	--	--
	-----	-----
Total liabilities	\$ 81,135	\$ 67,728
	-----	-----

Commitments and Contingencies

Stockholders' equity:

Common stock, \$.01 par value; 100,000,000 shares authorized; shares issued and outstanding, 2003 - 14,387,126; 2002 - 14,165,880; restricted \$.01 par value; shares issued and outstanding, 2003- 136,178; 2002 - 44,325	\$ 145	\$ 142
Preferred stock, \$.01 par value; 5,000,000 shares authorized, no shares issued and outstanding	--	--
Additional paid-in capital (includes restricted of \$2,361 and \$1,547 in 2003 and 2002, respectively)	109,531	106,673
Retained earnings	29,505	17,247
Accumulated other comprehensive income (loss)	25	(100)
Unamortized compensation costs	(608)	(641)
Treasury stock, at cost: 5,000 shares at December 31, 2003 and 2002	(110)	(110)
	-----	-----
Total stockholders' equity	\$ 138,488	\$ 123,211
	-----	-----

Total liabilities & stockholders' equity \$ 219,623 \$ 190,939

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

<TABLE>

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	Three Months Ended December 31,		Twelve Months Ended December 31,			
	2003	2002	2003	2002		
	<C>	<C>	<C>	<C>		
<S>						
Revenue						
Service, net	\$ 104,173	\$ 79,029	\$ 329,061	\$ 277,575		
Product, net	(11,810)	--	(11,613)	6,438		
Total revenue, net	92,363	79,029	317,448	284,013		
Cost of goods and services						
Program expenses (including related party amounts of \$194 and \$213 for the quarters ended December 31, 2003 and 2002, respectively and \$983 and \$516 for the twelve months ended December 31, 2003 and 2002, respectively)		65,077	53,667	227,080	254,140	
Cost of goods sold	190	--	1,287	--		
Total cost of goods and services	65,267	53,667	228,367	254,140		
Gross profit	27,096	25,362	89,081	29,873		
Compensation expense	9,607	6,459	36,901	32,670		
Other selling, general and administrative expenses		9,632	24,956	30,347	44,163	
Restructuring and other related expenses		413	2,243	143	3,215	
Litigation settlement	--	--	2,100	--		
Total operating expenses	19,652	33,658	69,491	80,048		
Operating income (loss)	7,444	(8,296)	19,590	(50,175)		
Other income, net	332	263	1,073	1,967		
Income (loss) before provision for taxes	7,776	(8,033)	20,663	(48,208)		
Provision (benefit) for income taxes	3,290	(3,044)	8,405	(17,447)		
Net income (loss)	\$ 4,486	\$ (4,989)	\$ 12,258	\$ (30,761)		
Basic net income (loss) per share	\$ 0.31	\$ (0.35)	\$ 0.86	\$ (2.19)		
Diluted net income (loss) per share	\$ 0.31	\$ (0.35)	\$ 0.85	\$ (2.19)		
Basic weighted average number of shares outstanding		14,320	14,097	14,231	14,033	
Diluted weighted average number of shares outstanding		14,677	14,097	14,431	14,033	

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