

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 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)
January 10, 2008

DIGIRAD CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation)

000-50789
(Commission File Number)

33-0145723
(IRS Employer
Identification No.)

13950 Stowe Drive
Poway, California 92064
(Address of principal executive offices, including zip code)

(858) 726-1600
(Registrant's telephone number, including area code)

N/A
(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 (see General Instruction A.2. below):

- ☐ 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 7.01. Regulation FD Disclosure

On January 10, 2008, Digirad Corporation, or Digirad, made a presentation concerning its business at the 26th Annual JPMorgan Healthcare Conference in San Francisco, California. The materials utilized during the presentation are attached as Exhibit 99.1 to this report.

This information and the exhibits hereto are being furnished and shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Digirad Corporation Investor Slide Presentation

SIGNATURES

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.

DIGIRAD CORPORATION

By: /s/ Marc E. Shapiro

Marc E. Shapiro

Vice President Human Resources

Date: January 10, 2008

the new point of view from digirad



Digirad Corporation

Nasdaq: DRAD

January 2008

Certain statements in this presentation that are not a description of historical facts are forward-looking statements as determined by the Private Securities Litigation Reform Act of 1995. Forward-looking statements do not relate strictly to historical or current facts and include words such as "anticipate," "estimate," "expect," "project," "intend," "plan," "believe" and other terms that discuss future operating or financial performance and/or events. Examples of such forward-looking statements include, but are not limited to, statements about the Company's revenues, expenses, margins, operations, mobile imaging services, centers of influence strategy and benefits, market conditions and trends, demand for imaging services and products, imaging modality trends, strategic growth, acquisition strategies, competitive advantages, utilization, cost control, financial results. These forward-looking statements are based upon current assumptions and expectations that involve risks and uncertainties that could cause actual events and financial performance to differ materially. Risks and uncertainties include but are not limited to, technological change, industry trends, changes in the company's markets, and competition. More information about risks and uncertainties is available in the Company's filings with the U.S. Securities & Exchange Commission, including Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, and Current Reports on Form 8-K. The information discussed in and during this presentation should be used in conjunction with the consolidated financial statements and notes included in those Reports and speak only as of the date hereof. The Company undertakes no obligation to update these forward-looking statements. All such statements are qualified in their entirety by this cautionary statement, and Digirad undertakes no obligation to revise or update this presentation to reflect events or circumstances after the date hereof.

Digirad Corporation provides medical diagnostic imaging products and services to physicians' offices, hospitals and imaging centers.

Digirad Imaging Solutions[®] (DIS)
We Make Office Calls.



DIS offers innovative mobile services for in-house mobile radiology practices.
Our DIS Imaging Services are convenient and flexible, offering DIS mobile 1 stop in-office care to you.



**Digirad
Mobile
Imaging
Services**

- 1**
**TEAM &
SYSTEM ARRIVAL**
UNLOADING, SET-UP
- 2**
PATIENT STUDY
BY OUR EXPERT
CERTIFIED STAFF
- 3**
**QUALITY
CLINICAL RESULTS**
READY FOR YOUR REVIEW



High-Quality, High-Performance Mobile Equipment

Cardius XPO[®]



Unique solid-state technology
Compact designs
500 lb. patient-weight capacity
Portable
Multi-head (1-2-3) platform



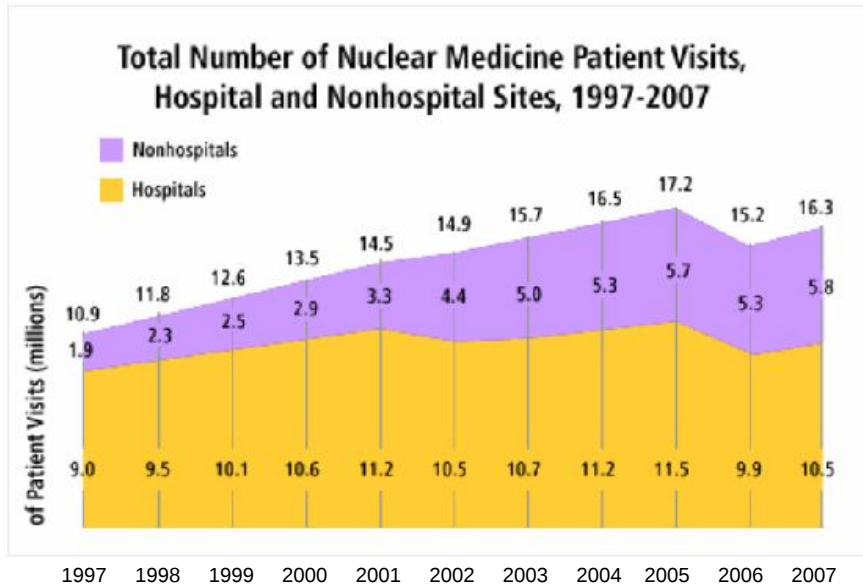
2020tc[®]
Imager

Hospital
Operating Room
Departmental
Bedside
Satellite Facilities
Cardiology
Groups
General Practice



In-Office
Primary Care
Internal Medicine
Satellite Facilities
Cardiology
Groups
General Practice

Resuming Yearly Uptrend in Nuclear Imaging Patient Visits Continuing Trend To Non-Hospital Providers



Market recovery in 2007:

- Secular uptrend resuming
- Trend away from hospitals
- IM/GPs becoming service providers
- Higher use of imaging by IM/GPs

Market decline in 2006:

- Greater pre-certification burdens
- PET impacting oncology NM

Source: IMV Nuclear Survey, Oct 2007

**Cardiac Studies:
Largest Segment of Nuclear Imaging Market,
Growing as Percent of Annual Market**

Nuclear Imaging Patient Visits					
	2005		2006		2007*
Cardiac	9.3M	54%	9.1M	59%	9.8M 60%
Non-Cardiac	7.9M	46%	6.1M	41%	6.5M 40%
Total	17.2M	100%	15.2M	100%	16.3M 100%

*Estimated from 1H2007 data

Source: IMV Nuclear Survey, Oct 2007

Core imaging services

- Increase utilization rate of existing fleet, personnel
- Open mobile imaging services hubs in target regions
- Expand client base: add new primary-care physicians

Centers of Influence (COI)

- Grow revenues from existing Centers of Influence
- Add new Centers of Influence

Strategic acquisitions

- Complement growth platform
- Diversify imaging services, modalities
- Expand geographic coverage
- Add revenues, earnings



Mobile Imaging For Today's Patient, Physician Needs



- Diagnostic requirements for aging population
- Trend to decentralized (non-hospital) services
- Facilitates outreach programs for academia and cardiology groups
- Patients prefer own primary-care physicians
- Flexible, scalable response to patient loads
- Solves cost issues: fixed equipment, space, upkeep
- New revenue stream for primary-care practices



*Because Your
Doctor* **Cares**

“We Make Office Calls”



Trend: Costs rising faster than revenues for traditional practices

Solution: Add imaging for 29% to 60% growth of revenues



+



**Digirad
Imaging
Services**

1

TEAM &
SYSTEM ARRIVAL
UNLOADING, SET-UP



2

PATIENT STUDY
BY OUR EXPERT
CERTIFIED STAFF



3

QUALITY
CLINICAL RESULTS
READY FOR YOUR REVIEW



Traditional Services + Nuclear Imaging + Ultrasound Imaging

**\$175K
Avg. Annual
Revenue**

**\$30K–\$60K
New Annual
Revenue**

**\$20K–\$50K
New Annual
Revenue**

Core Imaging Services



A **win-win-win** strategy

Primary-Care Physicians

- Affiliation with luminary institution
- Expert readings by cardiologists on staff at institution
- Higher retention of patients
- Ancillary revenue

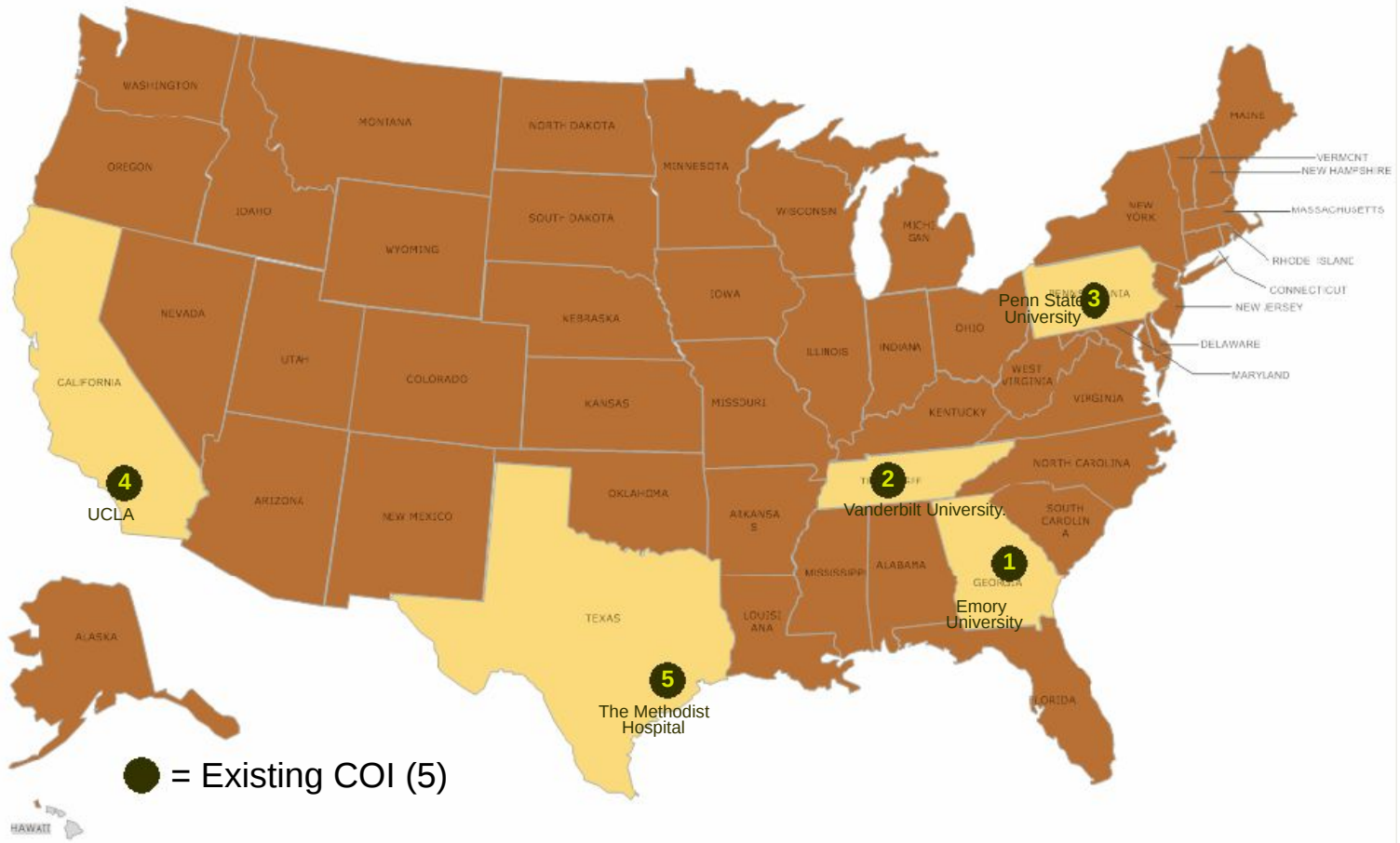
Centers of Influence

- New revenues from reading fees improve staff retention
- New revenue from intervention via readings
- Coordination with primary-care physicians improves relationships, increases referrals

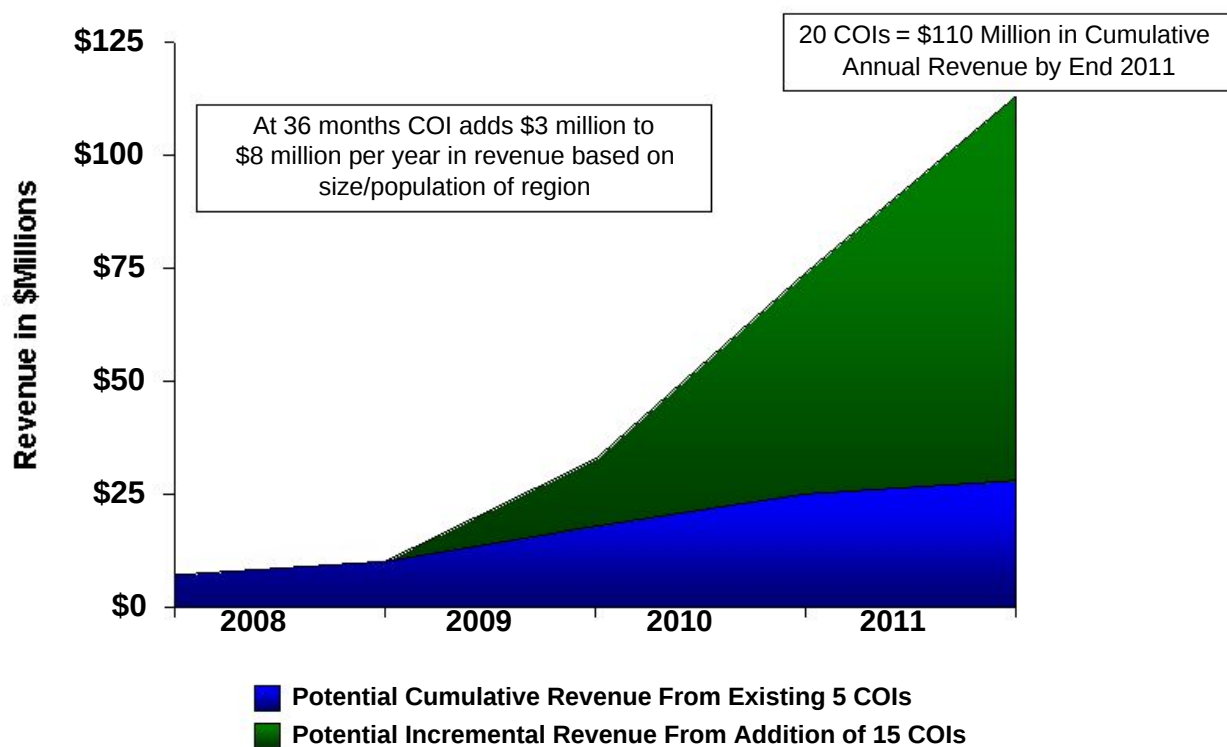
Digirad

- Fuller utilization of mobile imaging services assets, personnel
- Aligned with high-profile academic medical institutions
- Greater penetration of local base of primary-care physicians
- Potential for significant long-term revenue growth

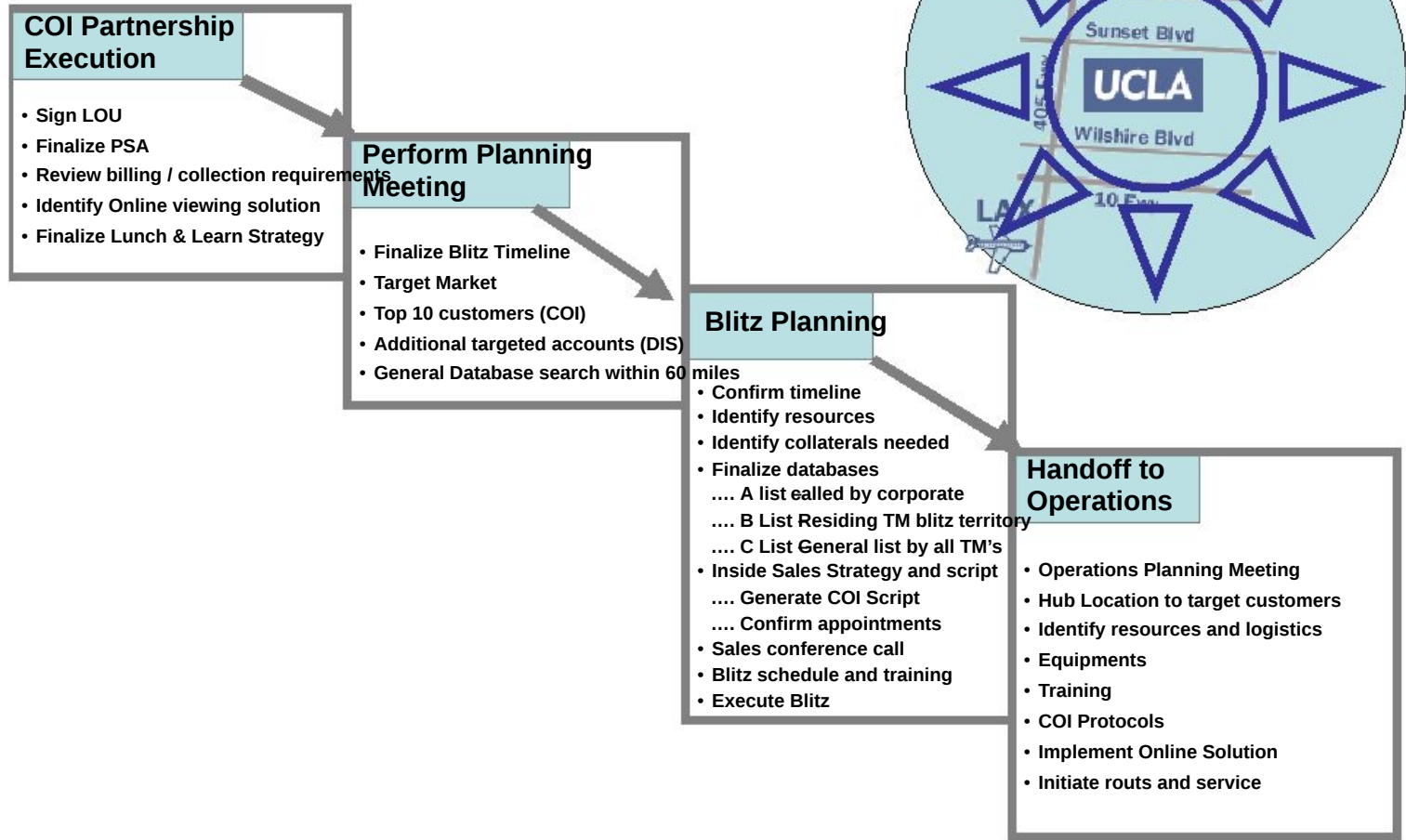
Centers of Influence



Hypothetical Example Based on COI Expansion 2008-2011



Center of Influence Process



Complements to growth platform

- Mobile imaging services
- Centers of Influence

Diversify imaging services, modalities

- Pre-imaging services
- Potential addition of complimentary services to nuclear and ultrasound

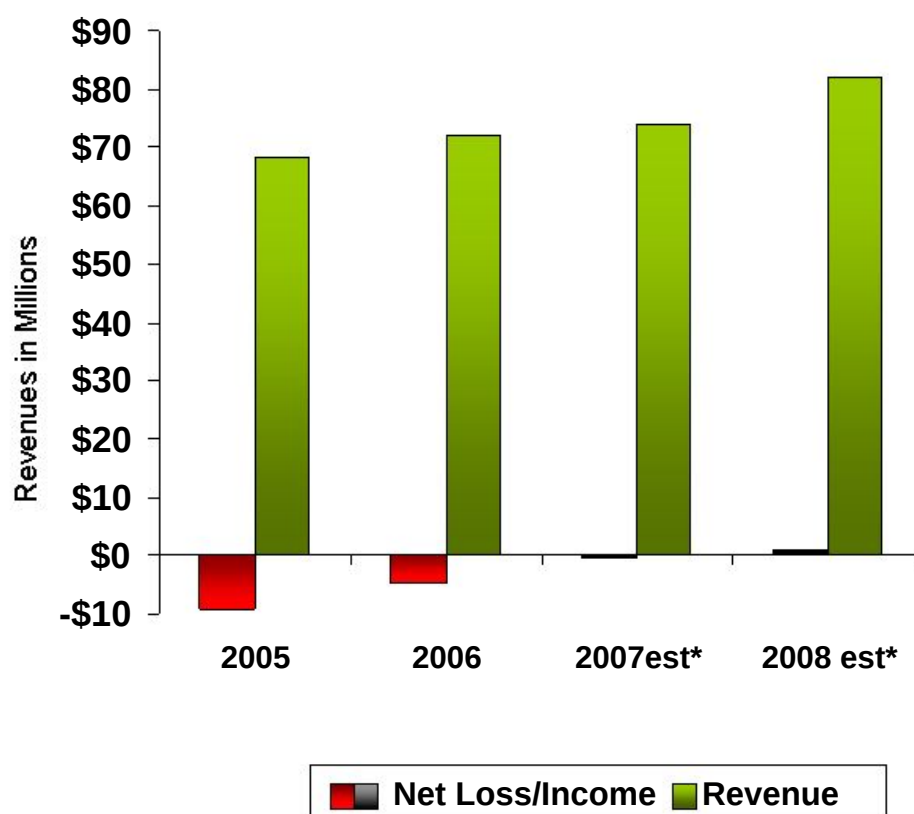
Expand geographic coverage

- Meet demand in existing regional markets
- Add regions with unmet/underserved/rising demand for imaging services

Potential accretion (not in 2008 guidance)

- Incremental revenues
- Incremental net income

Revenue Growth, Potential for Profitability in 2008



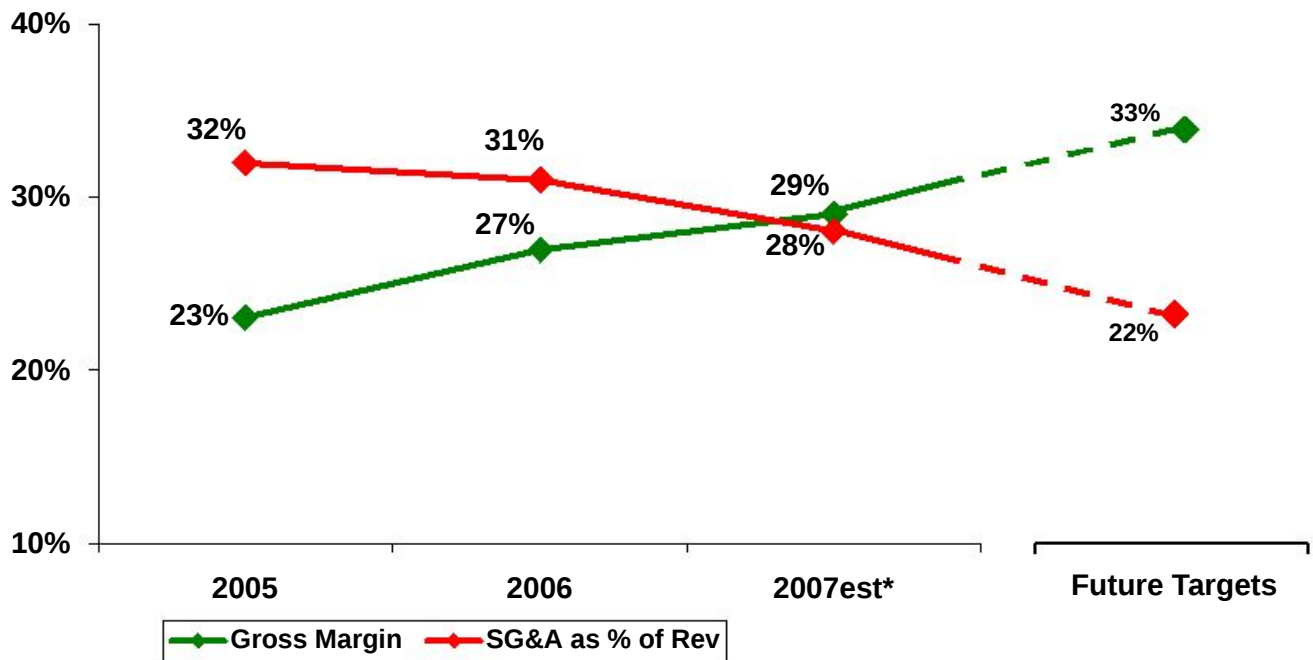
*Midpoints of guidance as of January 8, 2008; net excludes estimated stock-based compensation expense.

Comparative Operating Results



(In millions, except per share)	<u>9-Mos 2007</u>	<u>Full-Year 2006</u>	<u>Full-Year 2005</u>
Revenues	\$55.1	\$71.9	\$68.2
Gross Profit	16.0	19.1	15.2
Operating Expenses	17.6	27.3	26.2
Operating Income (Loss)	(1.5)	(8.2)	(11.0)
EBITDA	4.1	(1.9)	(5.2)
Net Income (Loss)	\$(0.3)	\$(6.3)	\$(9.6)
Earnings (Loss) Per Share	\$(0.01)	\$(0.34)	\$(0.52)
Shares Outstanding	18.8	18.8	18.5

Gross Margin Rising, SG&A Declining as % of Revenue



Liquid, Strong Ratios, No Long-Term Debt

(In millions, except per share data)

	<u>Sep 30, 2007</u>	<u>Dec 31, 2006</u>
Cash/equivalents and securities	\$30.8	\$44.3
Total current assets	47.9	59.2
Total current liabilities	13.1	13.4
Long-term debt	0.0	0.1
Shareholders' equity	56.2	55.4
 Current ratio	 3.7:1	 4.4:1
Quick ratio	2.4:1	3.3:1
Working capital	\$34.8	\$45.8
Shareholders' equity per share	\$2.99	\$2.95

	<u>2008 Guidance</u>
Revenue	
DIS	\$ 59.0M - \$ 61.0M
Product	<u>\$ 21.0M - \$ 23.0M</u>
Total Revenue	<u>\$ 80.0M - \$ 84.0M</u>
 Net Income/(Loss)	 \$ (1.0M) - \$ 0.5M

Note: Net income/(loss) includes stock-based comp. expense of \$1M

- Growing demand for imaging services, decentralization
- Expecting revenue growth in 2008: Centers Of Influence, core services
- Continuing control of costs/expenses
- Potential net income for 2008
- Strong balance sheet (September 30, 2007)
 - \$30+ million cash/equivalents
 - No long-term debt
 - \$2.99 shareholders' equity per share
- Valuation lagging peer averages
 - Market-cap to 2008 estimated sales: 0.8 vs. 1.6 to 1.7 for peers
- Evaluating acquisition(s)
 - Complement growth platform
 - Incremental revenues, net income (not in 2008 guidance)

Nasdaq symbol	DRAD
Three-year trading range	\$2.94 to \$9.05
Close 12/31/07	\$3.64
Average daily trading volume	29,600 shares
Shares outstanding	18.8 million
Float (shares)	12.3 million
Institutional holdings (shares)	7.7 million
Market capitalization	\$68.4 million



WHO IS MOVING **NUCLEAR MEDICINE** FORWARD?

Digirad Corporation

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