

**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 7, 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:

- ☐ 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 and Item 7.01. Regulation FD Disclosure**

On January 8, 2008, Digirad Corporation, or Digirad, issued a press release announcing anticipated financial results for 2007 and Digirad’s financial outlook for 2008. A copy of this press release is attached hereto as Exhibit 99.1.

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, or 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers**

Effective January 7, 2008, Timothy J. Wollaeger has resigned his positions as Chairman of the Board and as member and Chairman of the Compensation Committee of Digirad. Effective January 7, 2008, R. King Nelson has been appointed Chairman of the Board and member and Chairman of the Compensation Committee of Digirad.

In addition, on January 7, 2008, Messrs. Wollaeger and Dittamore indicated to the Board that they wished to retire and would not stand for re-election at Digirad’s upcoming annual meeting. Digirad is actively interviewing potential director candidates.

A copy of the press release issued by Digirad announcing these changes is attached hereto as Exhibit 99.2.

**Item 9.01. Financial Statements and Exhibits**

**(c) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated January 8, 2008.
99.2	Press Release dated January 7, 2008.

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## 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/ Todd P. Clyde

**Todd P. Clyde**  
**Chief Financial Officer**

Date: January 8, 2008



**Digirad Corporation Announces Preliminary Financial Results for 2007,  
Initial Guidance for 2008**

*Projecting Revenue Growth, Net Income Potential in 2008*

POWAY, Calif.—January 8, 2008—Digirad Corporation (Nasdaq: DRAD), a leading provider of medical diagnostic imaging products and services to physicians' offices, hospitals and imaging centers, today announced preliminary financial results for the fourth quarter and full-year ended December 31, 2007, and initial guidance for full-year 2008.

For full-year 2007, consolidated revenues are expected at approximately \$74.0 million, consisting of imaging services revenue of approximately \$52.4 million and product revenue of approximately \$21.6 million. Consolidated net loss is expected in a range of \$1.3 million to \$1.5 million, including estimated stock-based compensation expense of approximately \$900,000.

For full-year 2008, the Company anticipates consolidated revenues in a range of \$80 million to \$84 million, consisting of imaging services revenue of \$59 million to \$61 million and product revenue of \$21 million to \$23 million; and consolidated net results for 2008 to range from net income of \$500,000 to a net loss of \$1 million, including estimated stock-based compensation expense of \$1 million.

Chief Executive Mark Casner commented: "Although full-year 2007 results were clear improvements over the prior year, they were nevertheless below our previous expectations. The revenue shortfall was due primarily to greater than expected physician cancellations during the holidays and the radioisotope shortage experienced when the nuclear reactor in Canada was out of service for an extended period."

Casner continued: "For 2007 overall, we are pleased with having maintained control of expenses while at the same time putting the building blocks in place for growth in 2008. We acquired Ultrascan, launched our centers of influence strategy, and had almost immediate success with three large medical centers. During the fourth quarter we signed another large medical center, the first on the West Coast, and now have five centers as we begin 2008.

"As a result of ongoing discussions with an increasing number of medical centers, we are also making solid progress toward establishing new services agreements in 2008," Casner stated. "Revenues from existing centers are beginning to ramp up, and with the addition of new centers expected during the year, we see this strategy gaining better traction and being a primary contributor to revenue growth in 2008."

Casner added: "Operationally, we will continue our focus on increasing utilization of our mobile imaging equipment and personnel, stronger direct marketing to primary-care physicians, and controlling expenses. Furthermore, we have launched an initiative in our product division to drive revenues, reduce costs and improve reliability. This initiative is projected to bring the product division to full-year profitability in 2008."

Digirad management will be presenting at JPMorgan's 26<sup>th</sup> Annual Healthcare Conference being held January 7-10, 2008, at the Westin St. Francis Hotel, San Francisco. Their presentation is scheduled to begin at 11:30 a.m. PT on Thursday, January 10 and will include a discussion of Digirad's business, growth strategy and outlook for 2008. The presentation will be Webcast live at [www.metameetings.com/webcasts/jpmorgan/healthcare08](http://www.metameetings.com/webcasts/jpmorgan/healthcare08) and archived for 90 days at on the events and presentations page of the investors section of Digirad's web site at <http://drad.client.shareholder.com/events.cfm>.

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## About Digirad Corporation

Digirad provides diagnostic medical imaging products and services to physicians’ offices, hospitals and imaging centers for cardiac, vascular, and general imaging applications. Digirad’s Cardius XPO line of nuclear imaging cameras use patented solid-state technology and unique multi (single, dual, triple) head design for superior performance and advanced features for sharper digital images, faster processing, compact size, lighter weight for portability, ability to handle patients up to 500 pounds, and improved patient comfort compared to standard nuclear cameras. Digirad’s 2020tc general-purpose nuclear imager has a small footprint and may also be configured for fixed or mobile use to supplement primary imaging. Digirad’s installed base of equipment exceeds 450 systems; in addition, a mobile fleet of more than 120 nuclear and ultrasound imaging systems is being used in 22 states, primarily in the eastern, midwestern and southwestern United States. For more information, please visit [www.digirad.com](http://www.digirad.com). Digirad®, Digirad Imaging Solutions®, and Cardius® are registered trademarks of Digirad Corporation.

## Forward-Looking Statements

*Digirad cautions that statements included in this press release that are not a description of historical facts are forward-looking statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts and use words such as “anticipate,” “estimate,” “expect,” “project,” “intend,” “plan,” “believe” and other words and terms of similar meaning in connection with a discussion of future operating or financial performance or events. Examples of such statements include statements regarding imaging services and product revenues and net results for 2007 and 2008, growth, stock-based compensation, growth drivers, and expected effects of strategic focus on revenues, utilization and costs. The inclusion of these and other forward-looking statements should not be regarded as a representation by Digirad that any of its plans will be achieved. Actual results may differ materially from those set forth in this press release due to the risks and uncertainties inherent in Digirad’s business including, without limitation: the degree to which personnel changes and related disruptions in our business activities may affect Digirad’s products, customers, work force, suppliers, and our overall business prospects and operations; the degree to which Digirad’s camera systems and related services will be accepted by physicians and hospitals some of whom may experience reliability issues or technical problems; the ability of Digirad effectively to market, sell and distribute its medical devices, and related services given its limited capabilities in these areas; Digirad’s ability to manage risks relating to product liability, warranty claims, recalls, property damage and personal injury with respect to its imaging systems; and other risks detailed in Digirad’s filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Form 8-K and other reports. Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement and Digirad undertakes no obligation to revise or update this press release including the forward-looking statements contained herein to reflect events or circumstances after the date hereof or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.*

### Investor Contact:

Dan Matsui  
Allen & Caron  
949-474-4300  
[d.matsui@allencaron.com](mailto:d.matsui@allencaron.com)

### Company Contact:

Mark Casner  
CEO  
858-726-1600  
[ir@digirad.com](mailto:ir@digirad.com)

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**Digirad Corporation Board of Directors  
Appoints R. King Nelson Chairman**

POWAY, Calif.—January 7, 2008—Digirad Corporation (Nasdaq: DRAD), a leading provider of medical diagnostic imaging products and services to physicians' offices, hospitals and imaging centers, today announced that its board of directors has appointed R. King Nelson, a director and member of the audit and governance committees, chairman of the board effective today.

Nelson, 50, has served on Digirad's board of directors since March 2004. He is currently president and chief executive officer of Uptake Medical. From April 2005 to September 2006 he was president and chief executive officer of Kerberos Proximal Solutions, Inc., a developer of medical devices used for the treatment of vascular disease. From May 1999 to December 2003, he was president and chief executive officer of VenPro Corporation, a medical device company that develops implants for venous vascular and cardiovascular medicine. Nelson has more than 18 years of executive-level experience at Baxter Healthcare Corporation, a health care company, including serving as president of Baxter's perfusion services business. He received a Bachelor of Science degree from Texas Tech University and an MBA degree from the University of Miami.

Nelson commented: "I am pleased to have an opportunity to work with Digirad management, especially to further extend the reach of their centers of influence model in the U.S. Based on my experience on both device and services sides of healthcare, management has initiated a unique approach to providing key imaging services, services that address the needs of not only patients but also the physicians that provide those services, and I look forward to seeing this model play an increasing role in Digirad's growth and path to profitability."

Nelson replaces Timothy Wollaeger, who resigned as chairman. He will remain a director but does not intend to stand for reelection to the board at the Company's annual meeting this year. Wollaeger was appointed chairman in January 1996 and has been a director since April 1994.

Nelson added, "We owe a great deal to Tim for helping to bring Digirad to this point and wish him the very best."

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include statements regarding the Company's centers of influence business model, benefits of that business, its role in the Company's growth, and profitability. The inclusion of these and other forward-looking statements should not be regarded as a representation by Digirad that any of its plans will be achieved. Actual results may differ materially from those set forth in this press release due to the risks and uncertainties inherent in Digirad's business including, without limitation: the degree to which personnel changes and related disruptions in our business activities may affect Digirad's products, customers, work force, suppliers, and our overall business prospects and operations; the degree to which Digirad's camera systems and related services will be accepted by physicians and hospitals some of whom may experience reliability issues or technical problems; the ability of Digirad effectively to market, sell and distribute its medical devices, and related services given its limited capabilities in these areas; Digirad's ability to manage risks relating to product liability, warranty claims, recalls, property damage and personal injury with respect to its imaging systems; and other risks detailed in Digirad's filings with the U.S. Securities and Exchange Commission, including its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Form 8-K and other reports. Given these uncertainties, readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement and Digirad undertakes no obligation to revise or update this press release including the forward-looking statements contained herein to reflect events or circumstances after the date hereof or to update the reasons actual results could differ materially from those anticipated in these forward-looking statements, even if new information becomes available in the future.

**Investor Contact:**

Dan Matsui  
Allen & Caron  
949-474-4300  
d.matsui@allencaron.com

**Company Contact:**

Mark Casner  
CEO  
858-726-1600  
[ir@digirad.com](mailto:ir@digirad.com)

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