

Digirad and Dilon Diagnostics Enter Commercial Stage of Technology Development and OEM Agreement

POWAY, CA and NEWPORT NEWS, VA -- (MARKET WIRE) -- 06/06/11 -- Digirad Corporation (NASDAQ: DRAD) and Dilon Diagnostics, the world leader in molecular breast imaging, today announced that Digirad has contributed advanced photodetector technology for use in Dilon's newest gamma camera, the FDA cleared Dilon 6800 Acella®, via a technology development and OEM agreement. The new camera, which is being debuted at this week's 2011 Society of Nuclear Medicine Meeting in San Antonio, TX, features the largest molecular breast imaging platform on the market, making Dilon the first company in the industry to offer customers a choice in detector sizes.

The introduction of the new Dilon imaging system marks the launch of commercial activities associated with the development agreement between the two companies that commenced in mid-2010.

Dilon Diagnostics Chairman and CEO Robert G. Moussa said, "With the increasing need to better serve a diversifying population of women, we felt it was crucial to provide the means for facilities to reduce patient manipulation and examination times across the range of body types. The standard Dilon 6800 and the Acella version of it, now provide detectors that are 6"x8" and 8"x10" respectively, both optimized for breast imaging. The combination of Digirad's photodetector technology along with our universe of imaging know-how and intellectual property provides the basis for the Dilon 6800 Acella."

Digirad President and CEO Todd Clyde said, "Last year we set out to diversify our commercial base via product expansion and technology agreements beyond the cardiology space. The opportunity to work with Dilon, the premiere molecular breast imaging company is a perfect example of how that can be accomplished to the benefit of both organizations and ultimately our customers and their patients. We look forward to the success of the new Acella system in the marketplace as we continue to seek additional opportunities with Dilon and other technology leaders."

"I am proud to say," Moussa continued, "that with the launch of the Acella, we are now the only diagnostic imaging company in the industry who has the unique capability of being able to offer customers a choice of imaging solution for molecular breast imaging/breast specific gamma imaging (MBI/BSGI)."

About Dilon Diagnostics

Dilon Diagnostics, a brand of Dilon Technologies Inc., is bringing innovative new medical imaging products to market. Dilon's cornerstone product, the Dilon 6800®, is a high-resolution, small field-of-view digital gamma camera, optimized for MBI/BSGI. MBI utilizes radiotracer uptake to detect the increased metabolic activity of breast lesions and therefore, is not affected by breast density. Both the Dilon 6800 and Acella systems provide the high photon sensitivity; and Dilon's GammaLoc® System is the only localization device on the market to enable gamma-guided breast biopsy. Many leading medical centers around the country are now offering BSGI to their patients, including: Beth Israel and Cornell University Medical Centers in New York; Kaiser Permanente of Sacramento, CA and The George Washington University, Washington D.C. For more information on Dilon Diagnostics please visit www.dilon.com.

About Digirad Corporation

Digirad is a leading provider of diagnostic imaging products, and personnel and equipment leasing services. For more information, please visit www.digirad.com. Digirad® is a registered trademark of Digirad Corporation.

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