
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 11, 2007

DIGIRAD CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

000-50789 -----

33-0145723

(State or other jurisdiction of (Commission File Number)

(IRS Employer

incorporation)

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)

(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 2.02. Results of Operations and Financial Condition

On January 11, 2007, Digirad Corporation issued a press release announcing anticipated financial results for 2006 and the outlook for 2007. 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 (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

(c) Exhibits.

Exhibit No. Description

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/ Vera Pardee

Vera Pardee General Counsel, Secretary and Senior Vice President, Legal

Date: January 11, 2007

Digirad Updates 2006 Guidance and Provides Initial Guidance for 2007

POWAY, Calif.--(BUSINESS WIRE)--Jan. 11, 2007--Management of Digirad Corporation (NASDAQ:DRAD), a leading provider of cardiovascular imaging services and solid-state nuclear medicine imaging products to physician offices, hospitals and imaging centers, updated previous financial guidance for 2006 and provided initial guidance for 2007 in a presentation today at the 25th Annual JPMorgan Healthcare Conference in San Francisco.

For 2006, Chief Executive Officer Mark Casner said that the Company currently anticipates consolidated revenues at the high end of the previously announced range of \$70.7 million to \$71.5 million, consisting of DIS revenue between \$49.1 million and \$49.5 million and product revenue between \$21.6 million and \$22.0 million; and a consolidated loss at the low end (\$7.3 million) of the previously announced range of \$7.3 million to \$7.8 million, including estimated stock-based compensation expense of \$1.7 million. Casner stated that revenue guidance for the full year of 2006 includes \$2 million in stress agent revenues Digirad received through June of 2006, when it phased out stress agent deliveries, and noted that an evaluation of Digirad's 2007 revenue guidance in comparison to Digirad's 2006 results should take the lack of stress agent revenue going forward into account.

For 2007, Casner said that the Company currently anticipates consolidated revenues in the range of \$73 million to \$76 million, consisting of DIS revenue between \$50 million and \$52 million and product revenue between \$23 million and \$24 million; and a consolidated loss between \$1.3 million and \$3.3 million, including estimated stock-based compensation expense of \$1.3 million.

You can access the live presentation at www.mapdigital.com/jpmorgan/healthcare07 beginning at 10:00 a.m. PST today. After registering, select Digirad Corporation from the "Live Webcast" link on the left side of the "Welcome" page. The webcast will be available for replay on January 12, 2007 at the above internet address or through the Company's website at drad.client.shareholder.com/medialist.cfm for 90 days. Audio streams require Windows Media or Real Player installations.

About Digirad

Digirad Corporation develops, manufactures and markets solid-state, digital gamma cameras to hospitals, imaging centers and physician offices. Digirad offers a comprehensive line of solid-state nuclear gamma cameras that produce high-quality images for use in the detection of many medical conditions, including cardiovascular disease. Digirad's cameras are unique as their lightweight and compact design allows them to fit easily into small office spaces. Digirad's wholly owned subsidiary, Digirad Imaging Solutions, offers a comprehensive, mobile imaging leasing and services program for physicians who wish to perform in-office nuclear cardiology procedures but do not have the patient volume, capital or resources to justify purchasing a gamma camera. For more information, please visit www.digirad.com. Digirad(R) and Digirad Imaging Solutions(R) 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 the statements regarding our anticipated financial results for 2006 and 2007 fiscal years. 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

technical problems; the ability of Digirad to effectively 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 Securities and Exchange Commission filings, including its Annual Report on Form 10-K and other reports filed with the Securities and Exchange Commission. 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.

physicians and hospitals or will experience reliability issues or

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