

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549**

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**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)

**June 17, 2008**

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**DIGIRAD CORPORATION**

(Exact name of registrant as specified in its charter)

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**Delaware**

(State or other jurisdiction of incorporation)

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**000-50789**

(Commission File Number)

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**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))
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**Item 7.01. Regulation FD Disclosure**

On June 17, 2008, Digirad Corporation, or Digirad, made a presentation concerning its business at the Second Annual CapStone Investments Small-Cap Investor Conference in Milwaukee, Wisconsin. Digirad’s presentation materials 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**

**(c) Exhibits.**

Exhibit No.	Description
99.1	Digirad Corporation 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/ Todd Clyde

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**Chief Financial Officer**

Date: June 17, 2008

the new point of view from digirad



# Digirad Corporation

Nasdaq: DRAD

CapStone Investments  
Small-Cap Investor Conference

June 17, 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.

# Business Summary

DIGIRAD®

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

In-office cardiology  
imaging services



Digirad Imaging Solutions. We make office calls.

Digirad provides in-office nuclear cardiology and ultrasound imaging services to over 1,000 practices and performs over 100,000 clinical imaging procedures per year from 38 service locations throughout the United States.

## Diagnostic Imaging Services



## Product Sales

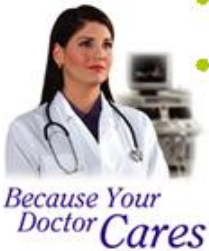




## Mobile Imaging For Today's Patient, Physician Needs



- 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



**“We Make Office Calls”**





## **Digirad Imaging Solutions** **Mobile Nuclear Imaging**



### **Cardiac**

- Cardiac SPECT Perfusion Imaging
  - Stress & Rest Gated/Non-Gated Studies
- Results
  - Cardiac Perfusion
  - End Diastolic / End Systolic Volumes
  - Ejection Fraction (EF)
  - Myocardial Mass
  - Cardiac Output Volumes (CO)
  - Summed Stress Scores
  - Myocardial Surface Maps
  - Transient Ischemic Dilatation (TID)

### **General**

- HIDA
- Gastric Emptying
- GI Bleed
- Thyroid Imaging
- Renography
- Brain Flow
- Lung Imaging
- Liver Imaging
- Bone Spots
- Pediatrics
- MUGA (hearts)





## **Digirad Ultrascan Solutions** **Mobile Ultrasound Imaging**



### **Cardiac**

- 2D and 3D Echo (Adult and Pediatric)
- Stress Echo
- TEE

### **Vascular**

- Complete Carotid Imaging
- Upper and lower Venous and Arterial Imaging
- Segmental Pressures

### **General**

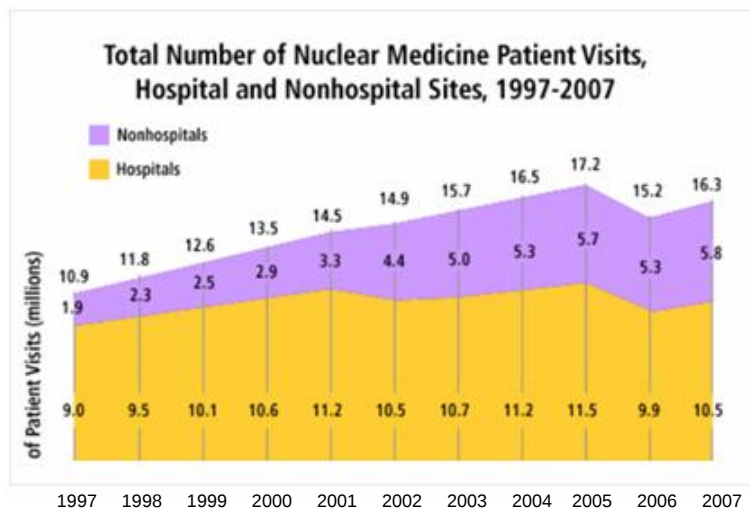
- Complete Abdominal Imaging
- Complete Obstetrical and Gynecological Imaging

# U.S. Regional Presence



## 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

Ultrasound Procedures (USA): 2003 – 2009						
2003	2004	2005	2006	2007	2008	2009
62.8M	68.1M	74.8M	82.2M	90.6M	101.8M	115.1M

Source: Medical Imaging Markets – Volume III Oct. 2006 Kalorama

## 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**

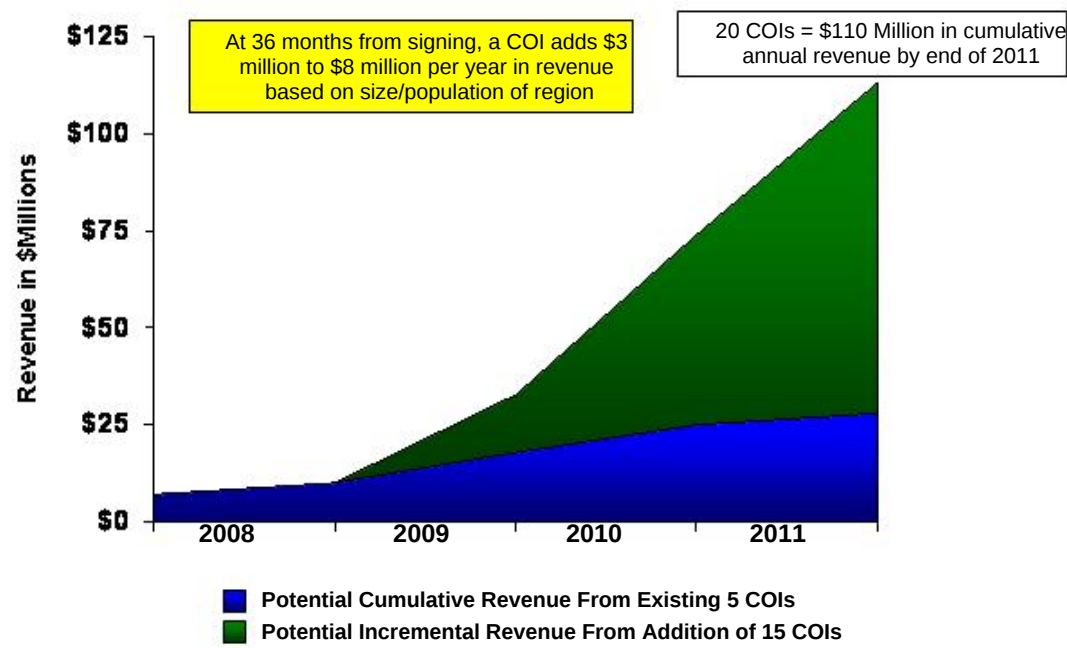
- Fuller utilization of mobile imaging services assets, personnel
- Aligned with high-profile academic medical institutions
- Greater penetration of local base of primary-care physicians
- Potential for significant long-term revenue growth

# Centers of Influence Locations

DIGIRAD®



Hypothetical Example Based on COI Expansion 2008-2011





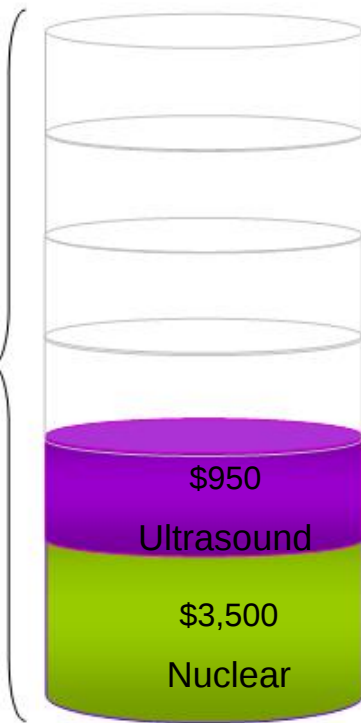
- Add new diagnostic procedures
  - Leverage current mobile-service infrastructure
  - Broaden demand for Company's imaging services
- Enhance physicians' practices
  - New capabilities to diagnose patients in-office
  - Multiple procedures during single patient visit
  - Better overall care
  - New revenue sources for practice
- Sustainable
  - Economics
  - Mobility of imaging procedures
  - Patient needs

# Multiple Imaging Services

DIGIRAD®

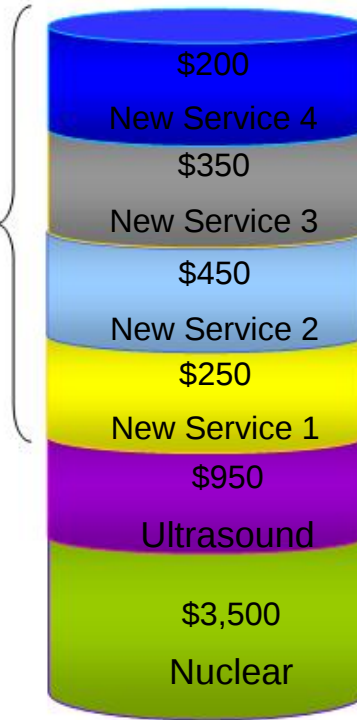
## Today

Digirad typically performs one modality per service day



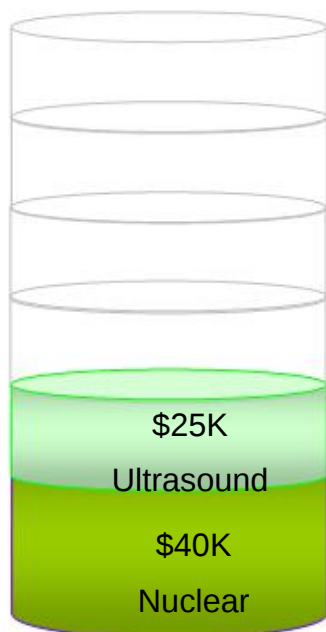
## "Tomorrow"

Service Expansion Potential



## Today

\$65K incremental annual revenue,  
or 30% increase



## "Tomorrow"

\$110K incremental annual revenue,  
or 40% increase



## Artery Age Screening

- Standard, non-invasive ultrasound procedure
- Measures CIMT (carotid intima-media thickness): thickness of the first two layers of the carotid artery located in the neck
- To monitor atherosclerosis (underlying cause of heart attack and stroke) even in individuals with no symptoms of heart disease
- Wall-thickening is the earliest anatomical manifestation of atherosclerosis and heart disease



High-Quality, High-Performance Mobile Equipment

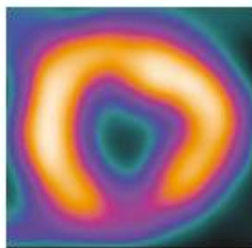


## **The Digirad Advantage**

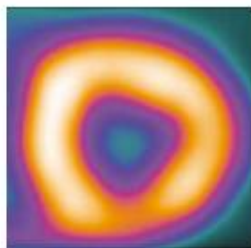
- Solid-State Technology
- Compact designs
- 500 lb. patient-weight capacity
- Portable Systems
- Scaleable platforms (1-2-3)

## Innovation, Leadership, Clinical Superiority

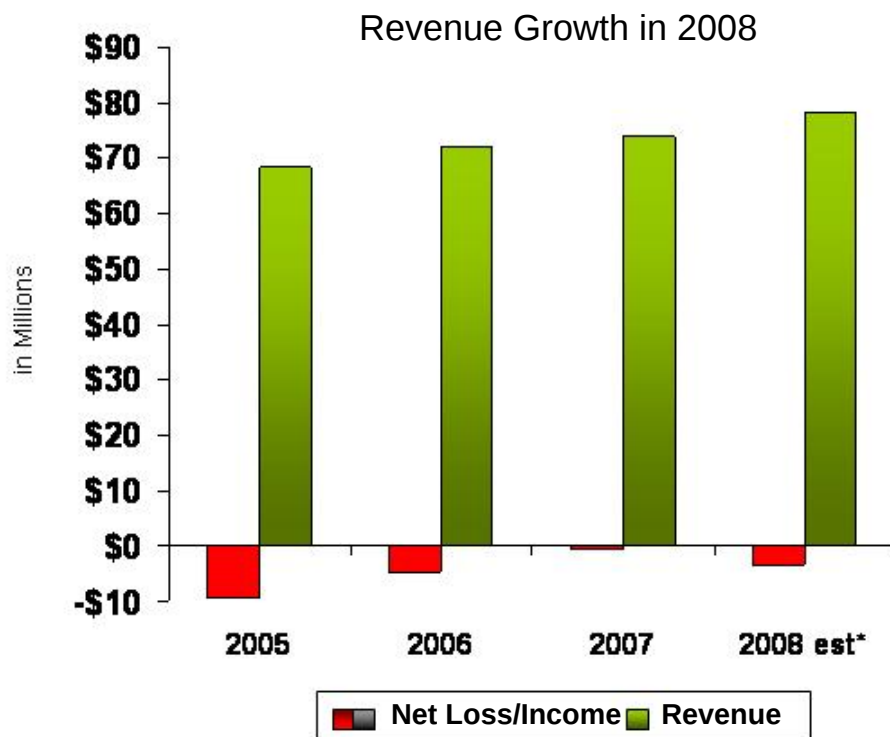
- nSPEED (1/2 time acquisition): Released
  - Faster imaging, higher image quality or reduced radiation dose.
- STASYS (automated motion correction): Released 6/08
  - Improved image quality and reduced costs (eliminates license fees)
- X-ACT (attenuation correction): June 2009
  - Improved clinical accuracy & quality



Abnormal



Normal



\*Midpoints of guidance as of April 24, 2008

Note: Net excludes estimated stock-based compensation expense

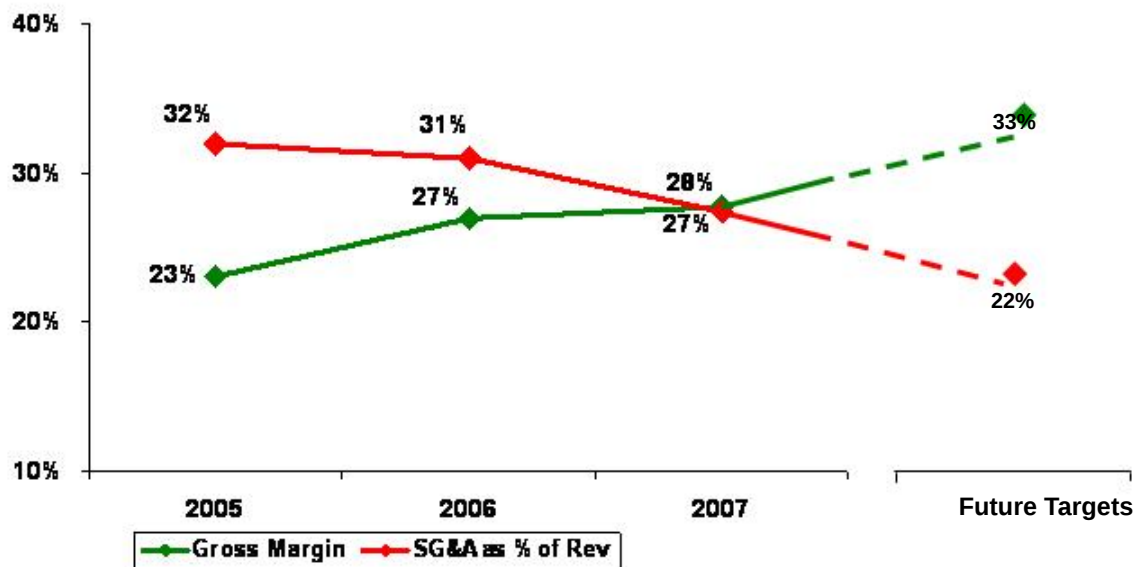
# Comparative Operating Results



(In millions, except per share)		<u>Q1 2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>
Revenues	\$18.3	\$73.9	\$71.9	\$68.2	
Gross Profit	4.4	20.5	19.1	15.2	
Operating Expenses		6.1	23.4	27.3	26.2
Operating Income (Loss)		(1.7)	(2.8)	(8.2)	(11.0)
EBITDA	0.4	4.7	(1.9)	(5.2)	
Net Income (Loss)		\$(1.4)	\$(1.4)	\$(6.3)	\$(9.6)
Earnings (Loss) Per Share		\$(0.07)	\$(0.07)	\$(0.34)	\$(0.52)
Shares Outstanding		18.9	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) Mar 31, 2008 Dec 31, 2007

<b>Cash/equivalents and securities</b>	<b>\$26.4</b>	<b>\$31.7</b>
<b>Total current assets</b>	<b>41.6</b>	<b>47.4</b>
<b>Total current liabilities</b>	<b>12.4</b>	<b>13.5</b>
<b>Long-term debt</b>	<b>0.0</b>	<b>0.0</b>
<b>Shareholders' equity</b>	<b>54.1</b>	<b>55.2</b>
<b>Current ratio</b>	<b>3.4:1</b>	<b>3.5:1</b>
<b>Quick ratio</b>	<b>1.9:1</b>	<b>2.3:1</b>
<b>Working capital</b>	<b>\$29.2</b>	<b>\$33.9</b>
<b>Shareholders' equity per share</b>	<b>\$2.86</b>	<b>\$2.93</b>

	<u>2008 Guidance</u>
<b>Revenue</b>	
DIS	\$ 56M - \$ 60M
Product	<u>\$ 19M - \$ 21M</u>
<b>Total Revenue</b>	<b>\$ 75M - \$ 81M</b>
<b>Net Loss</b>	<b>(\$ 2.0 M - \$ 4.5M)</b>

Note: Net Loss includes stock-based comp. of \$1M

- Demographics driving demand for diagnostic imaging services
- Trend to decentralized (non-hospital) facilities
- Expecting revenue growth in 2008:
  - Centers of Influence
  - New imaging services
  - Imaging market trend
- Continuing control of costs/expenses
- Strong balance sheet (March 31, 2008)
  - \$26.4 million cash/securities available-for-sale
  - No long-term debt
  - \$2.86 shareholders' equity per share
- Attractive valuation
  - Market-cap to 2008 estimated sales: 0.60 versus 1.20 to 2.30 for peers

Nasdaqsymbol	DRAD
Three-year trading range	\$2.05 to \$6.30
Close 6/9/2008	\$2.36
Average daily trading volume	27,700 shares
Shares outstanding	18.9 million
Float (shares)	15.3 million
Institutional holdings (shares)	10.5 million
Market capitalization	\$44.6 million



WHO IS MOVING **NUCLEAR MEDICINE** FORWARD?

## **Digirad Corporation**

**13950 Stowe Drive**

**Poway, CA 92064**

**858-726-1600**

**[www.digirad.com](http://www.digirad.com)**