

Digirad Introduces c.pax™ for Cardiology

A Complete, Online, Fee-per-study Cardiovascular Information System (CVIS)

POWAY, Calif. - October 16, 2009 - Digirad Corporation (NASDAQ:DRAD) today announced the immediate availability of c.pax™, a combined structured reporting and picture archiving and communication system (PACS) in an online solution. Digirad's fully-integrated approach reduces capital costs; information technology (IT) support and maintenance costs; increases practice workflow efficiency; and extends access of CVIS, for the first time, to practices of all sizes.

"c.pax will offer our many cardiology clients a tremendous workflow enhancement opportunity as well as greatly improve their quality of life by enabling instant web-access to all of their patients' imaging studies and reports," said Digirad CEO Todd Clyde. "Until now, quality systems that allow for integrated reporting and image management were largely limited to larger practices and hospitals due to cost and resource investment. c.pax allows a greater number of practices to adopt what is becoming an industry standard, and Digirad is pleased to be able to deliver the product to that large group of community practices."

c.pax is a comprehensive image management system for cardiology, including remote archiving, web-based multi-modality viewing, analysis and intelligent structured reporting, in one seamless solution. c.pax can be integrated with Digirad's product line and includes a unique remote archiving system that lets physicians edit and complete reports remotely, while eliminating the administrative task of implementing and maintaining a local archive.

c.pax simplifies cardiology IT, supporting best in class Digital Imaging and Communications in Medicine (DICOM) viewing and reporting delivered anywhere, anytime. c.pax stores DICOM images and reports, remotely hosts web services that rapidly access diagnostic quality images and finalizes structured reports from home, on the road or any office location. c.pax is a fee-for-service based model with a low capital investment resulting in rapid return on investment.

The web-based software gives doctors the ability to access full diagnostic quality DICOM images, edit and sign-off on their structured reports from home, on the road or any office location. This flexibility improves efficiency and quality of life for busy cardiologists. Wait time for retrieving large studies is eliminated as c.pax technology identifies the studies cardiologists are expected to review, fetches them securely across the network and caches them onto the physician's computer in advance. Additionally, c.pax is essential to mobile and multi-site practices, by ensuring that critical patient information is accessible at all times, regardless of location.

About Digirad

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

Forward-Looking Statements

This press release contains statements that are forward-looking statements as defined within the Private Securities Litigation Reform Act of 1995. These include statements regarding the efficacy of Digirad's centers of influence model, the status of the negotiation of the sale or closure of underperforming hub locations, and the ability to achieve positive cash flow and profitability, drive technology progress and improve services utilization to grow market share. These forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from the statements made, including the risks associated with changes in business conditions, technology, customers' business conditions, reimbursement, radiopharmaceutical shortages, economic outlook, operational policy or structure, acceptance and use of Digirad's camera systems and services, reliability, recalls, and other risks detailed in Digirad's filings with the U.S. Securities and Exchange Commission, including Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and other reports. Readers are cautioned to not 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 the forward-looking statements contained herein.

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