FOR IMMEDIATE RELEASE

iCAD REPORTS SIGNIFICANTLY IMPROVED MEDICARE PAYMENT FOR INTRAOPERATIVE RADIATION THERAPY

Final 2013 Reimbursement Rate for Treatment Delivery is Double the Value in the Proposed Rule, Will Encourage Use of iCAD’s Innovative Radiation Therapy Treatment

NASHUA, N.H. – November 5, 2012 – iCAD, Inc. (Nasdaq: ICAD), a leading provider of advanced imaging and radiation therapy for the early identification and treatment of cancer, today announced the U.S. Centers for Medicare & Medicaid Services (CMS) has issued an improved payment policy for Intraoperative Radiation Therapy (IORT), which is delivered by the Company’s Xoft® Axxent® Electronic Brachytherapy System®. In the 2013 Final Rule issued November 1, 2012, CMS unpackaged the IORT payment codes and assigned a distinct payment value for IORT treatment delivery. CMS assigned IORT treatment delivery to the same ambulatory payment classification as Stereotactic Radiosurgery, MRgFUS and MEG, Level 1.

The payment value for IORT treatment delivery in the Final Rule is more than twice the value included in the Proposed Rule released by CMS in July 2012. The 2013 Final Rule payment codes will take effect on January 1, 2013.

“The decision by CMS to unpackage IORT payments and increase reimbursement rates underscores the cost-effectiveness of this potentially life-saving radiation therapy option that can dramatically reduce treatment times, while providing more convenient and aesthetically desirable outcomes for women with early-stage breast cancer,” said Ken Ferry, President and CEO of iCAD. “We believe this ruling will provide greater access to IORT and accelerate the growing adoption of our technology by radiation oncologists and breast surgeons nationwide. It is noteworthy that IORT reimbursement was substantially improved in light of the overall streamlining of payments for radiation oncology services.”

About the Xoft System
iCAD’s Xoft System delivers IORT for breast cancer in a single, prescribed, targeted dose of isotope-free radiation directly to the tumor cavity during surgery. This minimizes radiation to healthy tissue and organs and eliminates the need for a shielded treatment environment. Typical radiation therapy methods for breast cancer include whole breast radiation, which involves daily treatments for five to seven weeks, and partial breast irradiation where 10 treatments are delivered over a period of five days.

The Xoft System is FDA-cleared for the treatment of early-stage breast cancer, endometrial cancer, skin cancer and for the treatment of other cancers or conditions where radiation therapy is indicated.
Xoft, Inc. is a wholly owned subsidiary of iCAD, Inc. For more information about Xoft visit www.xofterc.com.

About iCAD, Inc.
iCAD is an industry-leading provider of Computer-Aided Detection (CAD) technologies, advanced image analysis, workflow solutions and radiation therapy for the early identification and treatment of common cancers. iCAD offers a comprehensive range of high-performance, upgradeable CAD solutions for mammography and advanced image analysis and workflow solutions for Magnetic Resonance Imaging, for breast and prostate cancers and Computed Tomography for colorectal cancer. iCAD’s Xoft System, offers radiation treatment for early-stage breast cancer that can be administered in the form of intraoperative radiation therapy or accelerated partial breast irradiation. The Xoft System is also cleared for the treatment of non-melanoma skin cancer and endometrial cancer. For more information call (877) iCADnow or visit www.icadmed.com.

For iCAD, contact Kevin Burns at 937-431-7967 or via email at kburns@icadmed.com

For iCAD investor inquiries, contact Anne Marie Fields of LHA, 212-838-3777, afields@lhai.com

For iCAD media inquiries, contact Courtney Conery of Schwartz MSL, 781-684-0770, icad@schwartzmsl.com

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995:
Certain statements contained in this News Release constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, the Company’s ability to defend itself in litigation matters, the risks relating to the Company’s acquisition of Xoft including, the expected benefits of the acquisition may not be achieved in a timely manner, or at all; the Xoft business operations may not be successfully integrated with iCAD’s and iCAD may be unable to achieve the expected synergies, business and strategic objectives following the transaction, the risks of uncertainty of patent protection; the impact of supply and manufacturing constraints or difficulties; product market acceptance; possible technological obsolescence; increased competition; customer concentration; and other risks detailed in the Company’s filings with the Securities and Exchange Commission. The words “believe”, “demonstrate”, “intend”, “expect”, “estimate”, “anticipate”, “likely”, and similar expressions identify forward-looking statements. Readers are cautioned not to place undue reliance on those forward-looking statements, which speak only as of the date the statement was made. The Company is under no obligation to provide any updates to any information contained in this release. For additional disclosure regarding these and other risks faced by iCAD, please see the disclosure contained in our public filings with the Securities and Exchange Commission,

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