iCAD ANNOUNCES FIRST EUROPEAN PATIENTS TREATED WITH XOFT RADIATION THERAPY SYSTEM

_Intraoperative Radiation Therapy (IORT) Utilizing the Xoft System Now Available to Cancer Patients in Portugal and Germany_

NASHUA, N.H. – May 10, 2012 – iCAD, Inc. (Nasdaq: ICAD), an industry-leading provider of advanced image analysis, workflow solutions and radiation therapy for the early identification and treatment of cancer, announced the first European patients have been treated with the Xoft Axxent® Electronic Brachytherapy System®. Pius-Hospital Oldenburg in Oldenburg, Germany, and Hospital CUF Porto, Portugal, are the first to use the Xoft system in Europe for treating early stage breast cancer. This announcement was made during ESTRO, the annual meeting of the European Society for Radiotherapy & Oncology, taking place May 9-13 in Barcelona, Spain, where iCAD is showcasing the Xoft system.

“The installations of our Xoft radiation therapy system in Germany and Portugal reflect ongoing international progress as we expand our Xoft business into the European oncology market,” said Ken Ferry, President and CEO of iCAD. “There is growing global interest in Intraoperative Radiation Therapy among radiation oncologists who want to offer patients advanced radiation therapy treatment options that minimize radiation exposure and can be completed in shorter timeframes.”

iCAD’s Xoft system utilizes electronic brachytherapy (eBx®), a type of radiotherapy that employs a miniaturized X-ray source to apply radiation directly to the cancerous site. eBx targets the radiation dose to the size and shape of the cancerous area, minimizing radiation to healthy tissue and organs. The Xoft system can also be used for IORT, which delivers a single prescribed, targeted dose of radiation during surgery directly to the tumor cavity.

“Pius-Hospital Oldenburg is committed to providing cutting-edge treatment options in oncology, such as IORT, and we are excited to be the first hospital in Europe to offer the Xoft system to our patients with early stage breast cancer,” said Professor Dr. Rudy Leon De Wilde, Medical Director at Pius-Hospital Oldenburg.

“Hospital CUF Porto, is thrilled to be the first center in Portugal to offer breast cancer patients the option of partial breast irradiation during surgery with the Xoft system,” said Fleming Oliveira, MD, Head Surgeon and Breast Team Coordinator. “Historically, radiation therapy for breast cancer has required weeks of daily treatments, which can be a burden on the patient’s life and, in some cases, affect the patient’s ability to comply with the treatment. With the Xoft system, patients are treated with a full course of radiation immediately following a lumpectomy procedure, allowing patients to get back to their normal routine and active lifestyles more quickly.”

iCAD’s Xoft system is an isotope-free radiation treatment that can be used in virtually any clinical setting (including the operating room where IORT is delivered) under radiation oncology
supervision. The Xoft system is also approved for accelerated partial breast irradiation (APBI), which can be delivered twice daily for five days. The system is relatively small in size, highly mobile, and does not require a shielded environment, allowing the physician to remain in the room during treatment.

The Xoft system received CE Mark Approval in 2010, which permits sales and marketing of the system throughout the European Union. The Xoft system is also cleared by the U.S. Food and Drug Administration for the treatment of conditions where radiation is indicated, including early stage breast cancer, skin cancer, and endometrial cancer.

About Pius-Hospital Oldenburg
Pius-Hospital, originally founded in 1871 in the heart of a picturesque medieval walled city, has now become the largest Catholic hospital in Northwest Germany. The radiation therapy clinic forms part of one of the three largest breast cancer centers of excellence in Germany. It collaborates extensively in areas of research with the Carl von Ossietzky University and the University of Groningen. Multi-award winning Prof. Dr. De Wilde, Director of the Gynecology department and also Medical Director of the hospital, is both nationally and internationally renowned as a pioneer of minimally invasive treatments to preserve the tissue and organ function in breast and womb. In excess of 2,500 patients are treated in his department each year.

About Hospital CUF Porto
Hospital CUF Porto, opened less than two years ago, was built as a new health concept integrating a private health campus. Hospital CUF Porto provides highly differentiated medical care with the most experienced medical teams in northern Portugal along with cutting-edge technologies. Since 2008, the radiation oncology department has been located in a separate section of the campus. Equipped with the latest technology both in external beam radiotherapy and brachytherapy, the hospital provides radiation treatment solutions to 500 new patients every year. Currently the hospital has several investigative research projects underway with the Portuguese Catholic University as well as the Portuguese Technological and Nuclear Institute in Lisbon. Dr. Paulo Costa (Director of the Radiation Oncology Department) and Dr. Fleming Oliveira (Head Surgeon and Breast Team Coordinator), both continuously search for pioneering breast cancer therapies in order to provide the full range of therapeutic solutions in breast cancer management.

About iCAD, Inc.
iCAD is an industry-leading provider of Computer-Aided Detection (CAD) technologies, advanced image analysis, workflow solutions and radiation therapies 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.

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"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”, “will”, “continue”, “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, available on the Investors section of our website at http://www.icadmed.com and on the SEC’s website at http://www.sec.gov.

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