



## **Sheldon A. Schaffer, Ph.D. Joins Aastrom As Vice President, Corporate Development & Intellectual Property**

### **-- Appointment Supports New Initiatives --**

**Ann Arbor, Michigan, December 14, 2006** - Aastrom Biosciences, Inc. (Nasdaq: ASTM), a clinical development stage company focused on the use of autologous cells for regenerative medicine, today announced that Sheldon A. Schaffer, Ph.D. has joined the Company as Vice President, Corporate Development & Intellectual Property, a newly created position. Dr. Schaffer is responsible for the development of corporate partnering and licensing opportunities, as well as the expansion of Aastrom's intellectual property portfolio.

"Partnering, licensing and expanding intellectual property are priorities for Aastrom. These key initiatives are essential to moving our Tissue Repair Cell products through the clinical development stage and into the market place," said George W. Dunbar, Chief Executive Officer and President of Aastrom. "Dr. Schaffer has the extensive industry experience needed to establish strategic corporate relationships and to ensure that we protect and expand our proprietary position in the adult stem cell and tissue regeneration fields. We are very pleased to welcome Dr. Schaffer to Aastrom."

Dr. Schaffer has more than 30 years of experience in pharmaceutical and medical diagnostics industries, at both large corporations and entrepreneurial start-up companies. During his career he has been responsible for the development of U.S. and international businesses, in- and out-licensing of technology, intellectual property management, and clinical and pre-clinical drug development and drug discovery management. Most recently, Dr. Schaffer has provided business development consulting services to the pharmaceutical industry. Prior to this he served as President and CEO of Inveresk Research, N.A. He served as Vice President, Pharmaceutical Development at DepoTech Corporation, and as Vice President of Pharmaceutical Development and then as Vice President of Business Development at Cholestech Corporation, a publicly traded medical products company. Previously, Dr. Schaffer served as Director, Inflammation/Atherosclerosis Research at Ciba-Geigy Corporation, a pharmaceutical company, and held senior scientific positions at the Medical Research Division of American Cyanamid Co., a pharmaceutical company. Dr. Schaffer received his B.S. in chemistry from the University of California, Berkeley and a Ph.D. in chemistry from the University of Illinois, and served as a postdoctoral and teaching fellow at Harvard Medical School.

### **About Aastrom Biosciences, Inc.**

Aastrom Biosciences, Inc. is developing autologous cell products for the repair or regeneration of multiple human tissues, based on its proprietary Tissue Repair Cell (TRC) technology. Aastrom's TRC-based products are a unique cell mixture containing stem and progenitor cell populations, produced from a small amount of bone marrow taken from the patient. TRC-based products have been used in over 230 patients, and are currently in clinical trials for bone regeneration (long bone fractures and spine fusion) and vascular regeneration (critical limb ischemia) applications. Aastrom has reported positive interim clinical trial results for TRCs suggesting both the clinical safety and the ability of TRCs to promote healing in bone regeneration applications. The Company's proprietary TRCs received an Orphan Drug Designation from the U.S. Food and Drug Administration (FDA) for use in the treatment of osteonecrosis of the femoral head. In addition, Aastrom is developing plans for TRC-based therapies to address cardiac and neural regeneration indications.

For more information, visit Aastrom's website at [www.aastrom.com](http://www.aastrom.com).

*This document contains forward-looking statements, including without limitation, statements concerning planned clinical trials, product development objectives, and potential product applications, which involve certain risks and uncertainties. The forward-looking statements are also identified through use of the word "plans," and other words of similar meaning. Actual results may differ significantly from the expectations contained in the forward-looking statements. Among the factors that may result in differences are potential patient accrual difficulties, clinical trial results, potential product development difficulties, the effects of competitive therapies, regulatory approval requirements, the availability of financial and other resources and the allocation of resources among different potential uses. These and other significant factors are discussed in greater detail in Aastrom's Annual Report on Form 10-K and other filings with the Securities and Exchange Commission.*

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