Aastrom

Aastrom Announces First Patient Treatment With Autologous Stem Cell Therapy for Heart Failure

Company Milestone Achieved by Initiating Treatments in Heart Failure Patients With Dilated Cardiomyopathy -- a Severe Chronic Disease of the Heart

ANN ARBOR, Mich., Jan 15, 2008 (PrimeNewswire via COMTEX News Network) -- Aastrom Biosciences, Inc. (Nasdaq:ASTM), a leading regenerative medicine company, today announced that the first patient has been treated with the Company's autologous stem cell therapy for dilated cardiomyopathy (DCM). The milestone marks the first human application of Aastrom's Cardiac Repair Cell (CRC) product to regenerate damaged heart tissue in patients with severely impaired cardiac function.

CRCs are derived from a small sample of a patient's bone marrow that is processed using Aastrom's proprietary Tissue Repair Cell (TRC) technology to generate large numbers of stem and early progenitor cells. Near the end of 2007, the first patient was treated with CRCs in a European compassionate-use case. Cells were administered to the patient via direct injection into the heart muscle. The use of CRCs in patients is ongoing and Aastrom intends to establish treatment for additional DCM patients in several leading European heart centers. It is anticipated that clinical data from the compassionate-use cases will be available during 2008.

"We are very pleased to have successfully achieved this important milestone, and look forward to continuing our development program focused on this promising therapy for the treatment of patients with dilated cardiomyopathy," said George Dunbar, President and Chief Executive Officer of Aastrom. "During 2008, we expect to make significant clinical progress in our cardiac regeneration program and to begin to report clinical results."

It is expected that the compassionate-use of CRCs will provide useful experience for the development of clinical protocols in future regulatory submissions targeting DCM. In February 2007, Aastrom's proprietary CRCs received an Orphan Drug Designation from the U.S. Food and Drug Administration (FDA) for use in the treatment of DCM. In the U.S., Orphan Drug Designation provides a variety of incentives, including seven years of market exclusivity following FDA approval.

In addition to initiating treatment in patients with dilated cardiomyopathy, Aastrom also has development programs using TRC-based products for vascular, bone and neural tissue regeneration applications. The Company recently reported positive interim results from a German Phase I/II trial utilizing Vascular Repair Cells (VRCs) to treat diabetic patients with critical limb ischemia (CLI), the most severe form of peripheral arterial disease. Also reported were positive early data from a German compassionate-use study evaluating the use of Bone Repair Cells (BRCs) to treat patients suffering from osteonecrosis of the femoral head.

About Aastrom Biosciences, Inc.

Aastrom is a leader in the development of autologous cell products for the repair or regeneration of human tissue. The Company's proprietary Tissue Repair Cell (TRC) technology involves the use of a patient's own cells to manufacture products to treat a range of chronic diseases and serious injuries affecting vascular, bone, cardiac and neural tissues. Aastrom's TRC-based products contain increased numbers of stem and early progenitor cells, produced from a small amount of bone marrow collected from the patient. The TRC technology platform has positioned Aastrom to advance multiple products into clinical development. Currently, the Company has a vascular regeneration product in clinical development for the treatment of critical limb ischemia (called the RESTORE-CLI trial), a bone regeneration product in Phase III development for the treatment of osteonecrosis of the femoral head (called the ON-CORE trial), a cardiac regeneration product in clinical development for dilated cardiomyopathy and a preclinical research program targeting unmet needs in neural health. Aastrom product candidates to treat osteonecrosis of the femoral head and dilated cardiomyopathy have been designated for orphan drug status by the FDA. For more information, visit Aastrom's website at www.aastrom.com. (astmc)

The Aastrom Biosciences, Inc. logo is available at http://www.primenewswire.com/newsroom/prs/?pkgid=3663

This document contains forward-looking statements, including without limitation, statements concerning clinical trial strategies, potential partnering activities, product development objectives, potential advantages of TRC technology and TRC-based products, and potential product applications, which involve certain risks and uncertainties. The forward-looking statements are also identified through use of the words "intends," "expect," "expected," "should," "anticipated," 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 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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