



Aastrom Granted Tax Savings to Encourage Local Business Development

Adult Stem Cell Company Slated for Growth in Ann Arbor Township

ANN ARBOR, Mich., Jul 2, 2007 (PrimeNewswire via COMTEX News Network) -- Aastrom Biosciences, Inc. (Nasdaq:ASTM), a regenerative medicine company, today announced that Ann Arbor Charter Township has designated the Domino's Farms Office Park suite occupied by the Company as an Industrial Development District, and also granted Aastrom a six-year personal property tax abatement.

The unanimous decision by the seven-member Board of Trustees, made on Monday, June 18, grants a tax reduction on approximately \$1.4 million worth of new personal property added by the firm to its recently expanded, 30,000-square-foot suite located at Lobby K in the Domino's Farms complex off Plymouth Road at the intersection of US-23 and M-14. The personal property includes a Class 100,000 modular manufacturing clean room that houses Aastrom's automated, proprietary cell manufacturing systems. The clean room and manufacturing equipment are dedicated to the production of stem and progenitor cell products that are based on Aastrom's Tissue Repair Cell Technology.

"Our new facility and state-of-the-art clean room are exceptional, and we appreciate the consideration the Township has given us. This opportunity allows us to grow at a quicker pace, and access to the pool of high-quality people currently available in our area," stated Gerald D. Brennan, Vice President, Administrative & Financial Operations and Chief Financial Officer of Aastrom.

As the property owner, Domino's Farms petitioned the Township for the designation and associated tax abatement on behalf of Aastrom. The request was supported by Ann Arbor SPARK, a non-profit organization that promotes business development in Washtenaw County.

"The Ann Arbor region and the state of Michigan have a thriving life and bioscience industry. The Pfizer closure has created a unique opportunity for these companies to retain the high-knowledge talent in our region and grow their business as a result," said Michael A. Finney, Chief Executive Officer of Ann Arbor SPARK.

Domino's Farms President, Paul Roney, expressed his appreciation to the Township for taking the action, which will aid Aastrom in pursuing its growth plan, from 62 employees currently at Domino's Farms, to 80.

"With the closing of Pfizer, Aastrom is now the largest bioscience firm in the area," Roney said. "The Township understood that this company represents the best hope for maintaining Ann Arbor's status as a key center of cutting-edge biomedical research. That's especially crucial in Michigan's current economic climate."

About Ann Arbor SPARK

Representing all communities in Washtenaw County, Ann Arbor SPARK, a non-profit organization, is the driving force in establishing the Ann Arbor region as a destination for business expansion, retention, and location by identifying and meeting the needs of business at every stage, from startups to large organizations. Ann Arbor SPARK collaborates with business, academic, government, and community investor partners including the University of Michigan, Eastern Michigan University, the Herbert and Grace Dow Foundation, Pfizer, Washtenaw County, the City of Ann Arbor, Bank of Ann Arbor and the Michigan Economic Development Corporation. For more information, visit www.AnnArborSPARK.org.

About Aastrom Biosciences, Inc.

Aastrom is a regenerative medicine company 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 of stem and progenitor cells, produced from a small amount of bone marrow taken from the patient. TRC-based products have been used in over 250 patients, and are currently in clinical trials for bone regeneration (osteonecrosis of the femoral head and long bone fractures) and vascular regeneration (critical limb ischemia applications). The Company is also developing programs to address cardiac and neural regeneration indications. TRC-based products have received Orphan Drug Designation from the FDA for use in the treatment of osteonecrosis of the femoral head and the treatment of dilated cardiomyopathy, a severe chronic disease of the heart. 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/?pkqid=3663>

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