Aastrom

Stephen G. Sudovar Elected Chairman of Aastrom Biosciences' Board of Directors

Ann Arbor, Michigan, November 16, 2006 -- Aastrom Biosciences, Inc. (Nasdaq: ASTM), a clinical development stage company focused on the use of autologous cells for regenerative medicine, announced today that Stephen G. Sudovar, CEO of SGS Associates and former President of Roche Laboratories, Inc., has been elected Chairman of the Company's Board of Directors.

Mr. Sudovar has been a member of Aastrom's Board since July 2005. During his extensive, 30-year career in the health care industry at both large global companies as well as development stage companies, he held several senior executive positions. These include: President and CEO of EluSys Therapeutics, Inc., President of Roche Laboratories, Inc. (a division of Hoffmann LaRoche, Inc.) and President and CEO of Pracon Incorporated. Mr. Sudovar holds a B.S. in Marketing from St. Peter's College and an M.B.A. from Fairleigh Dickinson University. He is an adjunct professor of management at Montclair State University, and has published articles on a wide variety of issues related to the field of health care.

"We are pleased to announce that Mr. Sudovar was elected by the Board of Directors as the Chairman of Aastrom's Board. During the time he has served as a member of the Board, we have benefited from his industry leadership experiences," said George W. Dunbar, President and Chief Executive Officer of Aastrom. "Mr. Sudovar's board and executive management experience, along with his medical products expertise, make him an excellent representative for our shareholders and a key advisor for our corporate officers."

"I look forward to serving Aastrom and its shareholders as Chairman, and am indeed honored to be elected by this Board of highly accomplished executives," stated Mr. Sudovar. "I am excited to be working with George Dunbar and the Aastrom team to deliver novel stem cell technology to the field of regenerative medicine."

Aastrom's Board is composed of individuals with a variety of large cap and small cap biotech and pharmaceutical experience. At the 2006 Annual Meeting of Shareholders, Alan L. Rubino and Nelson M. Sims were reelected by the shareholders as Class III directors; each will serve a three-year term. In addition to Mr. Sudovar, Mr. Rubino and Mr. Sims, Aastrom's Board consists of George W. Dunbar, Susan L. Wyant, PharmD, Timothy M. Mayleben and Robert L. Zerbe, MD. All of these individuals, other than Aastrom's CEO, Mr. Dunbar, meet the applicable tests as independent directors.

About Aastrom Biosciences, Inc.

Aastrom Biosciences, Inc. (Nasdaq: ASTM) 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 stromal, stem and progenitor cell populations, produced outside the body 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. The Company has reported positive interim clinical trial results for TRCs suggesting both the clinical safety and the ability of TRCs to induce tissue regeneration in long bone fractures and jaw bone reconstruction. 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 a TRC-based therapy for cardiac regeneration.

For more information, visit Aastrom's website at www.aastrom.com.