



Aastrom Biosciences, Inc. Prices \$22.5 Million Public Offering

ANN ARBOR, Mich., Dec. 10, 2010 (GLOBE NEWSWIRE) -- Aastrom Biosciences, Inc. (Nasdaq:ASTM), a leading developer of expanded autologous cellular therapies for the treatment of severe, chronic cardiovascular diseases, today announced that it has priced a public offering of 10,000,000 units, with each unit consisting of one share of the Company's common stock and one warrant to purchase one share of common stock, at a purchase price of \$2.25 per unit for an aggregate offering amount of \$22.5 million. The net proceeds to Aastrom, after underwriting discounts and commissions and other offering expenses, from the sale of the units are expected to be approximately \$20.5 million. The Company intends to use the net proceeds from the offering for general corporate purposes, including research and development expenses such as expenses related to its Phase 3 CLI program, capital expenditures, working capital and general administrative expenses.

Each warrant will be exercisable at any time on or after the date of issuance until the fifth anniversary of the date of issuance at an exercise price of \$3.22. The shares of common stock and warrants are immediately separable and will be issued separately. The offering is expected to close on December 15, 2010, subject to customary closing conditions.

Stifel Nicolaus Weisel is acting as sole book-running manager and Needham & Company, LLC and Roth Capital Partners are acting as co-managers.

The offering is being made pursuant to an effective shelf registration statement that Aastrom filed with the Securities and Exchange Commission, or the SEC, on November 12, 2010. A prospectus supplement relating to the offering will be filed with the SEC. When available, copies of the prospectus supplement and the prospectus relating to these securities may be obtained by contacting Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, Suite 3700, San Francisco, California 94104, Attention: General Counsel, (415) 364-2500. Electronic copies of the prospectus supplement and accompanying prospectus will also be available on the website of the SEC at <http://www.sec.gov>.

This press release does not constitute an offer to sell or the solicitation of an offer to buy shares of common stock and warrants of Aastrom Biosciences, Inc., nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Aastrom Biosciences

Aastrom Biosciences is an emerging biotechnology company developing expanded autologous cellular therapies for use in the treatment of severe, chronic cardiovascular diseases. The company's proprietary cell-processing technology enables the manufacture of mixed-cell therapies expanded from a patient's own bone marrow and delivered directly to damaged tissues. Aastrom has advanced its cell therapies into late-stage clinical development, including a planned Phase 3 clinical program for the treatment of patients with critical limb ischemia and two ongoing Phase 2 clinical trials in patients with dilated cardiomyopathy. For more information, please visit Aastrom's website at www.aastrom.com.

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

This document contains forward-looking statements, including without limitation, statements concerning Aastrom's planned Phase 3 clinical program, ability to successfully complete the proposed offering and expected net proceeds from the offering, as well as other risks that are described in further detail in the preliminary prospectus and our most recent Annual Report on Form 10-K and Quarterly Reports on Form 10-Q, and from time to time in other publicly available information regarding the Company. These statements are often, but are not always, made through the use of words or phrases such as "anticipates," "intends," "estimates," "plans," "expects," "we believe," "we intend," and similar words or phrases, or future or conditional verbs such as "will," "would," "should," "potential," "could," "may," or similar expressions. Actual results may differ significantly from the expectations contained in the forward-looking statements. These forward-looking statements reflect management's current views and Aastrom does not undertake to update any of these forward-looking statements to reflect a change in its views or events or circumstances that occur after the date of this release except as required by law.

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