



Aastrom Biosciences Expands Bone Graft Clinical Trial to Include Lutheran Medical Center in Brooklyn, NY

-- Enrollment Open for Repair of Severe Leg Fractures Using Company's Proprietary TRCs at 4th Site --

Ann Arbor, Michigan, February 17, 2005 -- Aastrom Biosciences, Inc. (NasdaqSC: ASTM) announced today that it has expanded the U.S. Phase I/II clinical trial of its adult stem cell-based Tissue Repair Cells (TRCs) in the treatment of severe long bone non-union fractures to include Lutheran Medical Center in Brooklyn, NY. This is the fourth site now engaged in this U.S. multi-center trial, which is already underway at Lutheran General Hospital, Park Ridge, IL, the University of Michigan Health System, Ann Arbor, MI, and William Beaumont Hospital, Royal Oak, MI.

The Principal Investigator for the Lutheran Medical site is Thomas R. Lyon, M.D. Dr. Lyon is Chief of Orthopedic Trauma & Clinical Instructor of Orthopedic Surgery at Lutheran Medical Center, and also Attending Orthopedic Surgeon at both Methodist Hospital and Maimonides Hospital in New York. Dr. Lyon trained at the prestigious Shock Trauma Center in Baltimore and subsequently moved to Lutheran Medical Center in Brooklyn, New York where he has developed a research center focusing on the fields of osteobiologics and orthopedic trauma. Patients wishing to participate in the trial may contact Dr. Lyon at Lutheran Medical Center in Brooklyn, NY, (718)-630-6730, or any of the Principal Investigators at the other sites.

"We're very excited about this new trial and the potential benefits that it may afford our current and future trauma patients," stated Dr. Lyon. "The availability of large numbers of bone marrow stem cells to treat severe fractures is a technology with exceptional promise in the field of orthopedic trauma, where patients are very often delayed or unable to heal fractures because of severe accompanying soft tissue injuries."

The U.S. clinical trial is being completed under an Investigational New Drug permit issued by the FDA. Aastrom has also initiated bone graft trials of its TRCs in the EU. Following the achievement of successful safety and bone formation progress in both the U.S. and Barcelona, Spain clinical trials, Aastrom was recently able to expand the U.S. trial to include a broader range of fracture indications, and may now enroll patients with fresh fractures as well as those with long-term, non-healing fractures. The TRCs are also being used in a clinical trial in Spain for the treatment of sinus lift bone graft procedures, to generate new bone tissue in the maxillary jaw bone.

About Lutheran Medical Center

Lutheran Medical Center is a 476-bed teaching hospital located in the heart of southwest Brooklyn. With more than 120 years of experience and featuring Brooklyn's most active Level One Trauma Center, the busiest state designated Stroke Center, and one of the largest family health center networks in the country, Lutheran is dedicated to meeting the immediate and ongoing health care needs of its community.

About Tissue Repair Cells

Tissue Repair Cells (TRCs) are Aastrom's proprietary mixture of bone marrow stem and progenitor cells produced using patented single-pass perfusion technology in the AastromReplicell® System. The clinical procedure begins with the collection of a small sample of bone marrow from the patient's hip in an outpatient setting. TRCs are then produced in the automated AastromReplicell System over a 12-day period. It has been demonstrated in the laboratory that TRCs are able to develop into different types of tissue lineages in response to inductive signals, including blood, bone, cartilage, adipose and vascular tubules. In previous clinical trials, TRCs have been shown to be safe and reliable in regenerating certain normal healthy bone marrow tissues.

About Aastrom Biosciences, Inc.

Aastrom Biosciences, Inc. (NasdaqSC: ASTM) is developing patient treatments for the repair or generation of human tissues, utilizing the Company's proprietary adult stem cell-based products. Aastrom's strategic position in the tissue regeneration sector is enabled by its proprietary Tissue Repair Cells (TRCs), a mix of bone marrow-derived stem and progenitor cells, and the AastromReplicell® System, an industry-unique automated cell production platform used to produce cells for clinical use. TRCs are the core component of the products Aastrom is developing for severe bone fractures, ischemic vascular disease, jaw bone reconstruction and spine fusion, with Phase I/II level clinical trials active in the U.S. and EU for some of these indications.

For more information, visit Aastrom's website at 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 words "may," "potential," 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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