



Aastrom Biosciences Receives Patent for Transplantation Use of Its Stem Cell Products

-- Patent Covers Bone Marrow, Blood and Cord Blood-Sourced Products --

Ann Arbor, Michigan, March 3, 2004 -- Aastrom Biosciences, Inc. (NasdaqSC: ASTM) announced today that it has received patent number 6,667,034 B2 from the United States Patent and Trademark Office. The patent covers a method of bone marrow transplantation, often referred to as stem cell transplants, using cells produced with Aastrom's proprietary single-pass perfusion technology that enables the growth of normal human cells outside the body.

Bone marrow stem cell transplants are used to regenerate healthy tissues in patients following traumatic injury, or to repair damage caused by chemotherapy or radiation. A bone marrow stem cell transplant typically requires large volumes of cells to treat major tissue damage. Such procedures necessitate the invasive collection of a quart or more of bone marrow. With some patients this is not practical, and with others even more cells are needed for transplantation. Therefore, the ability to produce clinical quantities of these cells from a much smaller starting sample, the basis of Aastrom's proprietary technology, is intended to provide a therapeutic substitute for medical applications that are treatable with large volumes of bone marrow cells.

Bone marrow has stem and progenitor cells that can lead to the regeneration of many tissues in the human body, including blood, immune system and solid tissues such as bone, cartilage and vasculature (veins and arteries). Aastrom's new patent covers the medical use of bone marrow cell products cultured outside the body under specific conditions, and comprises a mass of stromal cells, often called mesenchymal cells. Stromal cells generate biological signals that can support the growth of stem cells, and certain types of stromal cells can also generate certain solid tissues. Additionally, this patent covers cells produced from blood or umbilical and placental cord blood.

"This patent is an important addition to our expanding portfolio of proprietary stem cell technologies," said R. Douglas Armstrong, Ph.D., Chairman, President and Chief Executive Officer of Aastrom. "The value of our technology is becoming increasingly evident, as industry research and clinical publications continue to demonstrate that bone marrow cells help patients with major fractures of limbs and spine, and can aid in the regeneration of vascular tissue in diabetic and heart disease patients."

About Aastrom Biosciences, Inc.

Aastrom Biosciences, Inc. (NasdaqSC: ASTM) is a late-stage development company focused on human cell-based therapies. The AastromReplicell™ System - a patented, integrated system of instrumentation and single-use consumable kits for the production of patient-specific cells - is the Company's core technology for its Prescription Cell Products (PCP) business and its Cell Production Products (CPP) business. The principal focus of the PCP business is the repair or regeneration of tissue intended for large markets such as bone grafting and vascular systems. Aastrom is currently engaged in clinical trials of its bone grafting product both in the U.S. and Europe. The CPP business markets the AastromReplicell™ System to researchers and companies for their production of cells for clinical trials. These two businesses are intended to enable Aastrom to generate multiple paths to revenue. The initial commercial phase of the CPP business for dendritic cell production products is underway in Europe and the United States. For more information, visit Aastrom's website at www.aastrom.com.

This document contains forward-looking statements, including without limitation, statements regarding product development objectives, anticipated clinical trial results, development plans, and potential advantages and applications of the AastromReplicell™ System, which involve certain risks and uncertainties. The forward-looking statements are also identified through use of the words "intended," "can," 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 the results obtained from research, development activities, regulatory approval requirements, and the availability of resources. 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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