Aastrom Biosciences Completes CE Mark Requirements for Third Dendritic Cell Therapy Product

-- Expands Aastrom's Cell Production Products Business --

Ann Arbor, Michigan, August 21, 2003 -- Aastrom Biosciences, Inc. (NasdaqSC: ASTM) today announced that it has completed all requirements to affix the CE Mark on its DCV-II kit in the European Union. This is the third of the Company's dendritic cell production kits to use the CE Mark. The DCV-II kit operates on the AastromReplicell™ System instrument platform, and produces peptide-loaded dendritic cells that are being investigated in clinical trials as therapeutic cancer vaccines. The CE Mark allows Aastrom to market and sell DCV-II kits in Europe; the kits are available as well in the United States for clinical research use.

Dendritic cells loaded with specific tumor-associated fragments called peptides are one of the new approaches currently being clinically investigated to induce a therapeutic immune response to different forms of cancer. These tumor-associated peptides include melanoma, colon, breast and prostate cancer-associated peptides. The AastromReplicell™ System and the DCV-II vaccine production kits facilitate such studies by allowing researchers and investigators to produce sufficient clinical quantities of dendritic cells in an automated, closed-system, Good Manufacturing Practices (GMP)-compliant process. In addition, like the previously released DC-I and DCV-I kits, the DCV-II kit offers clinical investigators the ability to produce dendritic cells loaded with a broad array of tumor antigens, and are intended to bring forward a variety of vaccines based on Aastrom's technology.

"Dendritic cell-based cancer vaccine therapies are being evaluated in a large number of studies in both Europe and the United States. The DCV-II kit meets the need for GMP-compliant production of peptide-loaded dendritic cells, which is one of the newest approaches being evaluated for widespread use of these vaccines," said R. Douglas Armstrong, Ph.D., President, Chief Executive Officer and Chairman of Aastrom.

"This market offers a new potential path to near-term revenue for the Company. We believe that the new DCV-II kit, along with the DC-I and DCV-I kits, can support the growth of this market, as well as improve the clinical success of these innovative cancer vaccine approaches," concluded Armstrong.

Other CE Marked Aastrom products include: the AastromReplicell™ System ("System"), the DC-I kit, intended for the production of dendritic cells for use in fusion or transfection cell-based cancer vaccines and the DCV-I kit, intended for the production of complete antigen-loaded dendritic cell vaccines. Aastrom has installed the System for several of its products in fifteen sites in Europe and the United States; sites evaluating the Company's dendritic cell production products include: Stanford University and Duke University in the United States, and University of Mannheim and University of Erlangen in Germany.

The Company markets and sells its Cell Production Products in Europe through its wholly owned subsidiary, Zellera AG. In the United States, for more information about Aastrom's Cell Production Products, contact Ron Dudek, Director Sales and Marketing, at 734-930-5768.

About Zellera AG

Zellera AG is a wholly owned subsidiary of Aastrom Biosciences, Inc., located in Berlin, Germany. Zellera serves as the sales and marketing operational base for Aastrom's products in Europe. For more information, visit Zellera's website at www.zellera.de, or contact Holger Beckmann, Managing Director, at 011-49-30-2065-9165.

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, vascular systems and severe osteoporosis. 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 concerning product development objectives, potential product applications, product results, product revenue generation and potential advantages of the AastromReplicell™ System, which involve certain risks and uncertainties. The forward-looking statements are also identified through use of the words "intended," "believe," "can," "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 future clinical trial results, the results of product marketing activities conducted by third parties, actions taken by marketing partners and competitors, the availability of 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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