



Aastrom Biosciences Launches Direct Stock Purchase Program

-- Program Offers Shareholders Exclusive Investment Opportunity --

Ann Arbor, Michigan, November 4, 2003 -- Aastrom Biosciences, Inc. (NasdaqSC: ASTM) today announced that registered shareholders of the Company can purchase up to an aggregate of 10 million newly issued shares of its stock through Aastrom's Direct Stock Purchase Program (DSPP), unless otherwise noted in the DSPP Prospectus based on state residency. Aastrom instituted this direct stock purchase program in response to significant interest on the part of its large individual and family ownership base. Management believes the Company's shareholders will benefit from the convenience of the program, which will in turn provide a source of equity capital to help fund Aastrom's continued growth.

A direct stock purchase program allows registered shareholders the opportunity to purchase shares of the Company's common stock without incurring the fees associated with trading through a brokerage house. Aastrom's DSPP, administered by Continental Stock Transfer & Trust Company, provides the opportunity to purchase shares on an elective basis, whether regularly or intermittently, with a minimum expenditure of \$250 and a maximum expenditure of \$10,000 per month. Shares are available for purchase each month at a discount of 3% from the average of the closing sale prices for three days, ending two days before the established purchase date each month. Payment can be made only by check or automatic deduction. Shares held in the program can also be sold monthly on the scheduled transaction date.

Except in states where the DSPP is not feasible due to certain state procedural requirements, registered shareholders can access the program immediately. If a shareholder owns shares that are held by a broker or bank in "street name", some or all of these shares must be transferred to "registered shareholder" status.

"In listening to our shareholders, we became convinced that it would be appropriate to provide them this opportunity," said Alan M. Wright, Aastrom's Senior Vice President Administrative & Financial Operations and Chief Financial Officer. "We have worked to create a program that addresses the interest expressed by our widespread individual and family ownership base. In doing so, we hope to offer greater flexibility and expanded opportunity for participation in the growth of the Company."

Investors can access the Prospectus and download the forms for the DSPP at Aastrom's updated website, at www.aastrom.com. Questions about the program should be directed to the Investor Relations department, at 734-930-5777, or via email to dspp@aastrom.com. In addition to obtaining the Prospectus relating to the DSPP on Aastrom's website, copies are also available upon request from Aastrom's Investor Relations department at P.O. Box 376, Ann Arbor, MI 48106.

This announcement does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any offer, solicitation or sale of securities in any state or country in which an offer, solicitation or sale would be unlawful. You MUST review the Prospectus relating to the DSPP before you enroll in the program and before purchasing shares.

Those states in which the program cannot be offered at this time are listed on the Company's website at www.aastrom.com.

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, peripheral vascular system repair, 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 the expected growth of the company, product development objectives, potential product applications, and potential markets for the AastromReplicell™ System and intended paths to revenue, which involve certain risks and uncertainties. The forward-looking statements are also identified through use of the words "intended," "should," "can," "believes," 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 clinical trial results, potential product development difficulties, market and competitive developments, 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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