



Aastrom Biosciences Further Facilitates Process for Participation in Direct Stock Purchase Program

-- New Form Simplifies Enrollment for Shareholders with Shares in "Street Name" --

Ann Arbor, Michigan, March 4, 2004 -- Aastrom Biosciences, Inc. (NasdaqSC: ASTM) today announced that shareholders of the Company who wish to enroll in its Direct Stock Purchase Plan (DSPP), but whose shares are held in "street name" through a broker or bank, can now demonstrate proof of their Aastrom common stock ownership by submitting a Share Ownership Certification Form, along with a copy of the relevant portion of their brokerage account statement, dated within the last three months, and any other required forms.

Previously, enrollment in the DSPP was contingent upon the possession of stock certificates by registered shareholders; shareholders whose stock was being held in "street name" were required to have the certificates reissued in their own name prior to enrolling. The change in this requirement was made by the Company to facilitate participation in the DSPP for Aastrom shareholders. The DSPP is administered by Continental Stock Transfer & Trust Company ("Continental"), Aastrom's stock transfer agent and shareholder record keeper.

"The purpose of Aastrom's DSPP is to increase the ability of shareholders to participate fully in the growth of the Company," said Alan M. Wright, Aastrom's Senior Vice President Administrative & Financial Operations and Chief Financial Officer. "By simplifying the enrollment requirements of the DSPP, we have achieved our goal of making the program more accessible to our loyal and supportive shareholders."

Investors can access the new Prospectus, dated January 28, 2004, and download the forms for the DSPP at Aastrom's updated website, at www.aastrom.com. Questions about the DSPP should be directed to the Investor Relations department, at 734-930-5777, or via email to dspp@aastrom.com. For questions relating to an established Aastrom DSPP account, please contact Continental customer service by calling 1-800-509-5586. The new Prospectus relating to the DSPP is also available upon request from Aastrom's Investor Relations department at P.O. Box 376, Ann Arbor, MI 48106.

Aastrom is in the process of completing the required steps to be able to offer and sell shares under the DSPP to residents of Arizona, California, Georgia, New Mexico and Oregon. However, until we complete the required steps in each particular state, we cannot offer or sell shares to residents in that state. If you are a resident of one of these states, please check the Company's website at www.aastrom.com in the future for updates regarding activation of the DSPP in these states.

Because of various state requirements that are unique to North Dakota and Utah, Aastrom cannot offer or sell shares under its DSPP to residents of these states.

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 new Prospectus relating to the DSPP before you enroll in the program and before purchasing shares.

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 peripheral vascular system repair. Aastrom is currently engaged in clinical trials of its bone graft product in both 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 concerning the expected growth of the company, product development objectives, potential product applications, 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," 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, 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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