



Aastrom Biosciences Announces Appointment of Janet M. Hock, B.D.S., Ph.D. As Vice President Global Research

Ann Arbor, Michigan, September 14, 2004 -- Aastrom Biosciences, Inc. (NasdaqSC: ASTM) today announced the appointment of Janet M. Hock, B.D.S., Ph.D. as Vice President Global Research. Dr. Hock will be responsible for Aastrom's biological research efforts including the bone and tissue regeneration research programs and related clinical development activities. Her broad experience and leadership in the fields of bone formation and skeletal diseases, along with the development of new therapeutic treatments, strongly support and complement the Company's progress in moving its tissue regeneration products through the clinical development stage.

Dr. Hock has worked in academic, government and industry settings. She joins Aastrom from her current position on the faculty of the Indiana University Schools of Medicine and Dentistry (IU), where she is Professor, Department of Anatomy and Cell Biology, School of Medicine, and Professor, Department of Periodontics, School of Dentistry. Dr. Hock was also program director and founder of the Indiana University Cancer Center Bone Cancers Research program, and founder of Thetis Consulting LLC, a scientific advisory firm focused on the treatment of skeletal diseases and bone cancer.

Prior to her tenure at IU, she was employed by Eli Lilly and Company (Lilly) to lead the discovery and development of anabolic drugs for the treatment of osteoporosis. She served in various senior technology development positions including: Senior Research Advisor for Product Development, Head of the Bone Formation Group, Director of the Skeletal Diseases Research Group, and Product Team Research Advisor/Chief Scientific Officer. Dr. Hock's responsibilities included product development, preclinical pharmacology, drug discovery and development, regulatory, patent strategy, and formation of research alliances. She served on a number of steering committees and other leadership teams dedicated to long-range planning and drug development.

The most notable of Dr. Hock's many achievements during her leadership at Lilly was her contribution to the successful clinical development of two important new drug treatments for osteoporosis: Evista® and Forteo®. These drugs have been introduced to the marketplace and are the keystones for Lilly's skeletal diseases research program.

"In selecting Dr. Hock as Aastrom's first Vice President Global Research, we have appointed an individual who possesses a rare combination of proven business leadership capabilities and highly respected scientific credentials," said R. Douglas Armstrong, Ph.D., Chief Executive Officer and Chairman of Aastrom. "Her expertise and successes in regenerative medicine and the pharmaceutical industry are an ideal match for Aastrom as we develop and move our Tissue Repair Cell technology into the clinic for a variety of medical indications. We are delighted to have Dr. Hock on the management team and welcome her strategic leadership and creativity."

Upon her appointment, Dr. Hock stated, "I am happy to join Aastrom's management team and scientists in the development and commercialization of adult stem cells to treat medical needs that cannot be met by any of the current pharmacological therapies. I am impressed with Aastrom's unique cell production technology, and the significant advances the Company has made in developing new adult stem cell-based treatment options for patients who need to regenerate and repair tissues damaged by trauma or disease. This is a most exciting time in the Company's development, as it takes up the challenge to make significant contributions to advancing medical care with highly innovative regenerative therapies."

Dr. Hock holds a B.D.S. Degree in Dental Surgery (D.D.S. equivalent) from the University of London, Guy's Hospital Dental School, UK, an L.D.S., R.C.S. Licentiate in Dental Surgery, Royal College of Surgeons, UK, and a Ph.D. from the University of London, UK, for thesis work done at the University of Iowa and California Institute of Technology. In addition, Dr. Hock holds an M.S. for Oral Diagnosis and a Clinical Certificate in Periodontology from the University of Iowa.

In addition to her academic and industry roles, since 1977 Dr. Hock has served the National Institutes of Health, the U.S. Department of Veterans' Affairs, the U.S. Department of Defense and the U.S.D.A. in a variety of capacities, including peer grant reviewer and committee chair. She serves on the Scientific Advisory Board for the Indiana University/Purdue University at Indianapolis (IUPUI) Center for Regenerative Medicine and Biology, and the IUPUI School of Science Dean's Leadership Council.

Dr. Hock also serves on the editorial boards for several research journals, including Journal of Dental Research, Journal of Periodontology, Calcified Tissue International and Journal of Bone & Mineral Research, and is a peer reviewer for several other journals. She is the author of over 100 publications. Dr. Hock is a member of several professional/academic organizations, including, International Bone & Mineral Society, American Society for Bone and Mineral Research, American Society for Cell Biology, The Endocrine Society and Women-in-Endocrinology.

About Aastrom Biosciences, Inc.

Aastrom Biosciences, Inc. (NasdaqSC: ASTM) is developing proprietary stem cell-based products for the regenerative repair of damaged human tissues and other medical disorders. Aastrom's strategic position in the tissue regeneration and cell therapy sectors is enabled by its proprietary Tissue Repair Cells (TRCs), a mix of bone marrow stem and progenitor cells, and the AastromReplicell® System, an industry-unique automated cell production platform used to produce cells for clinical use. Together TRCs and the AastromReplicell System provide a foundation that the Company is leveraging to produce multiple Prescription Cell Products (PCPs), the first of which is now in the clinical stage in the U.S. and EU.

TRCs are the core component of the PCPs Aastrom is developing for the bone grafting, peripheral vascular disease and cartilage markets. The Company also markets the AastromReplicell System and disposable dendritic cell production kits to researchers and institutions developing vaccines to treat cancer and infectious diseases, under its Cell Production Products line.

For more information, visit Aastrom's website at www.aastrom.com.

Evista® and Forteo® are registered products of Eli Lilly and Company.

This document contains forward-looking statements, including without limitation, statements concerning 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 "planning," 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, regulatory approval requirements, 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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