

April 7, 2010

New CEO Executes Bold Vision, Financing and Reverse Split with Three Ph 2 Trials Enhancing the Valuation

Initiation Review

Valuation: **\$3.81**

Price at 4/6/10: **\$1.72**

52 Week Range: **\$1.36 - \$4.72**

Market Capitalization: **\$67.10 M**

Enterprise Value: **\$33.00 M**

Sum of the Parts Value: **\$5.78**

Fair Value: **\$4.16**

Shares Outstanding: **28.26 M**

Fully Diluted: **39.012 M**

Float: **28.17 M**

Avg Volume (3 Mos): **498,816**

Short Position: **2.39 M**

Cash: **\$25.5 M**

Burn Rate: **\$1.4 M (Month)**

Fiscal Year End: **June 30**

Exchange: **NASDAQ**



Henry McCusker
617.559.1080
hwm@scimitarequity.com

Please read the important
Disclosures Section
At the end of this review!

Aastrom Biosciences develops autologous cellular therapies for the treatment of severe and chronic cardiovascular diseases. Using its proprietary tissue repair cell (TRC) technology, ASTM is able to expand the numbers of stem and early progenitor cells from a small amount of bone marrow collected from the patient.

- Conducting 3 advancing trials; **IMPACT-DCM** trial, a P2 (cardiac regeneration) with surgical delivery of TRCs in patients with dilated cardiomyopathy (DCM) leading to severe chronic heart failure); **DCM P2** trial with catheter delivery of TRCs and the **RESTORE-CLI** trial, a P 2b (vascular regeneration) in patients with CLI (critical limb ischemia),
- Positive and encouraging **RESTORE-CLI P2b** interim results provide a strong signal of the potential efficacy and safety of autologous cell therapy in patients with CLI,
- The final patient has been (3/24/10) treated in the P2b **RESTORE-CLI P2b** clinical trial,
- **IMPACT-DCM** trial interim results expected in Q/4 time frame,
- **Timothy M. Mayleben**, a member of the Board of Directors became the new CEO in 12/09,
- Completed a public offering of common stock and warrants in 1/10 with \$12.4 M in net proceeds,
- Q2/10 net loss was \$4.57 M or \$.03 per share and now has \$25.5 M in cash,
- **ASTM** regained NASDAQ compliance (3/4/10),
- Autologous cells integrate more effectively into a patient's body and interact with the surrounding tissues to promote healing,
- **ASTM's** proprietary tissue repair cell based products (TRC) can produce personalized cell products for site-specific delivery to repair or regenerate diseased or damaged tissue. Early stage and clinical research show that TRCs may have efficacy in the regeneration of damaged cardiovascular and other tissues,
- Initiate with a BUY ranking and believe that ASTM's stock is still held at a low valuation but will appreciate as execution continues,
- The new blended valuation model implies a pricing of \$3.81 given 28.26 M shares outstanding and the fully diluted shares of 39.012 M. The Sum of the Parts estimation of \$5.78 is discounted 20% and is significantly above this stocks current price of \$1.72 within the trading range of \$1.36 to \$4.96,
- Shares of **ASTM** offer upside in the short and near-term but, markets remains volatile based on perceptions and sentiment.

Investment Thesis

I initiate with a **BUY** ranking and believe that the current momentum and share price appreciation should continue to propel ASTM to our designated valuation as viability and sustainability have been greatly enhanced by the recent financing, reverse split moves and specifically the positive and encouraging RESTORE-CLI, P2b interim results. We believe these results provide a strong signal of the potential efficacy and safety of their autologous cell therapy in patients with critical limb ischemia (CLI).

We derived our current valuation by using a Blended Price Valuation Table which includes a Sum of the Parts (SOTP) analysis, a direct comparable analysis layered with a sector comparable analysis. Our SOTP scenario is extremely conservative (with a 20% discount) and details a Sum of The Parts value of **\$5.78** and when merged with a direct comparables analysis of **\$2.26** reinforced by a stem cell sector perspective of **\$3.39** implies a blended valuation of **\$3.81** given the current shares outstanding of **28.26 M** with a fully diluted number of **39.012 M**.

The Avg. Blended Price Valuation of **\$3.81** is significantly above this stocks current price of **\$1.72** and the trading range of **\$1.36 - \$4.96**. We note the average market capitalization of designated comparables is **\$88.35 M** or about **1.3 X** the implied multiple of ASTM's market cap of **\$67.10 M (Fully Diluted)**. In a review of there overall sector stem cell companies, ASTM has a **2.0 X** multiple and a comparison value of **\$3.39**.

ASTM is a much stronger company. CEO Mayleben has a new, stronger vision for ASTM with an emphasis on execution. Investors should focus on the following FY10 issues: CEO's ability to further the current trials, negotiate with the FDA the development of Phase 3 CLI and DCM trials, operate in a challenged economy, control the burn rate while rebuilding the share value and ultimately partner the technology.

Stem cells are the foundation cells for every organ, tissue and cell in the body and can be used to generate healthy and functioning specialized cells, which can then replace diseased or dysfunctional cells. Stem cells have the potential to treat debilitating diseases like Alzheimer's disease, Parkinson's disease, type-1 diabetes, spinal cord injury, stroke, burns, heart disease, osteoarthritis and rheumatoid arthritis. Stem cells could also serve as an alternative and renewable source for specialized cells. Stem cell companies are accumulating the requisite reproductive biology and cell processing expertise to develop human therapeutics; thus stem cell research implications, particularly for the biotech and pharmaceutical industry are enormous.

ASTM is developing autologous cellular therapies using a small sample of a patient's own bone marrow that can be delivered directly to damage tissues. When patients receive their own cells, there seems to be no concern that the body will reject the implanted cells as foreign material and the addition of potentially harmful immunosuppressive drugs. Autologous cells may also integrate more effectively into the patient's body and could interact better with the surrounding tissue to promote healing.

Comparables such Opexa (OPXA) and Cytori (CYTX) use autologous stem cells which might not have tissue matching issues; but face issues related to batch variability. It has been stated the autologous stem cells from an individual with CLI or DCM could lack regenerative power but, ASTM's recent encouraging clinical data seems to refute these issues of potency. We don't include CYTX in the direct comparables as it is considered more a device play.

Stem cell therapies could be years away. But, ASTM is using the patients own cells with the key advantage being the Tissue Repair Cell-Based (TRC) products which significantly expands stem and progenitor cells beyond what could be obtained directly from the patient, potentially enhancing the ability of its products to regenerate damaged or diseased tissues. ASTM does not have to develop manufacturing processes and infrastructure such as do Athersys (ATHX), Pluristem (PTIM) and Osiris (OSIR) who develop allogeneic cells and could have similar potency issues after extensive growth in culture.

The key to share appreciation has been the announcements of interim results which are preliminary indicators. However, the advancement of results from the RESTORE-CLI Phase 2b clinical trial, completion of the enrollment in IMPACT-DCM Phase 2 surgical clinical trial, presentation of results from IMPACT-DCM Phase 2 surgical clinical trial 6 month follow-up and the complete enrollment in IMPACT-DCM Phase 2 catheter clinical trial should dramatically drive the appreciation of the share price.

ASTM's stock is still held at a low valuation but should appreciate as execution continues offering upside in the short-term and near-term. However, markets remain challenging based on perceptions and sentiment.

A Significant Market

Dilated Cardiomyopathy (DCM)

DCM is a condition in which the heart becomes weakened and enlarged, and cannot pump blood efficiently. DCM is a disease of the heart muscle, primarily affecting your heart's main pumping chamber (left ventricle). The left ventricle becomes enlarged (dilated) and can't pump blood to your body with as much force as a healthy heart can. The decreased heart function can affect the lungs, liver, and other body systems. DCM is the most common form of non-ischemic cardiomyopathy occurring more frequently in men than in women and is most common between the ages of 20 and 60 years.

DCM is one of the cardiomyopathies, a group of diseases that primarily affect the myocardium (the muscle of the heart). Different cardiomyopathies have different causes and affect the heart in different ways. In DCM a portion of the myocardium is dilated, often without any obvious cause. Left or right ventricular systolic pump function of the heart is impaired, leading to progressive cardiac enlargement and hypertrophy.

About 1 in 3 cases of congestive heart failure (CHF) is due to dilated cardiomyopathy. DCM doesn't necessarily cause symptoms, but for some people the disease is life-threatening. DCM is a common cause of heart failure, the inability of the heart to supply the body's tissue and organs with enough blood. DCM may also cause irregular heartbeats (arrhythmia), blood clots or sudden death.

Patients with DCM typically present with symptoms of congestive heart failure, including limitations in physical activity and shortness of breath. DCM generally occurs in patients who have ischemic heart failure due to multiple heart attacks, though it can also be found in patients with non-ischemic heart failure caused by hypertension, viral infection, metabolic abnormalities and other causes.

Patient prognosis depends on the stage of the disease but is typically characterized by a high mortality rate. Other than heart transplantation, there are currently no curative treatment options for end-stage patients with this disease. The New England Journal of Medicine estimates that in the US alone 120,000 people currently suffer; other sources estimate that the patient population with DCM may be as high as 150,000.

US Dilated Cardiomyopathy Incidence Rates

Adult Population

# of affected persons	5	8
out of	100,000	100,000
Proportion	0.005%	0.008%
Total number of adults	245,267,292	245,267,292
Low Estimate	12,263	High Estimate 19,621

Pediatric Population

# of affected persons	0.34	0.58
out of	100,000	100,000
Proportion	0.00034%	0.00058%
Total number of children	61,944,831	61,944,831
Low Estimate	211	High Estimate 359

Total Incidence **12,474** **19,981**

Sources: Hamilton, R.M., and Azevedo, E.R. Sudden Cardiac Death in Dilated Cardiomyopathies. July 2009. Center for Disease Control.

A Significant Market (cont)

Critical Limb Ischemia (CLI)

Critical limb ischemia (CLI) is the term used for patients with chronic ischemic rest pain, ulcers, or gangrene that is attributable to inadequate blood flow or arterial occlusive disease. CLI is typically identified as the end stage of peripheral arterial disease. CLI is the most severe form of PAD, and is typically the end stage of the disease.

CLI is a severe obstruction of the arteries which decreases blood flow to the extremities (hands, feet and legs) and has progressed to the point of severe pain and even skin ulcers or sores. Patients with CLI often suffer from severe pain caused by ischemia, tissue loss, ischemic neuropathy or a combination of these factors. The pain typically occurs at night when the patient is resting, and episodes can last for hours.

A large percentage of patients with CLI have coexisting diseases, such as cardiovascular and renal disorders. CLI patients also are at high risk for myocardial infarction, stroke, and vascular death. Therefore, prompt referral to a specialized vascular center improves the success of their treatment and reduces the systemic risk in this population.

People with CLI face a high risk of amputation and in some cases death. No effective pharmacologic therapy is available, and amputation is often the only option left, but is associated with an even worse prognosis: perioperative mortality is 5% to 20% and a second amputation is required in 30% of all patients.

Approximately 1 M people in the US suffer from CLI. This disease results in more than 160,000 amputations each year.

Critical Limb Ischemia Incidence Rates

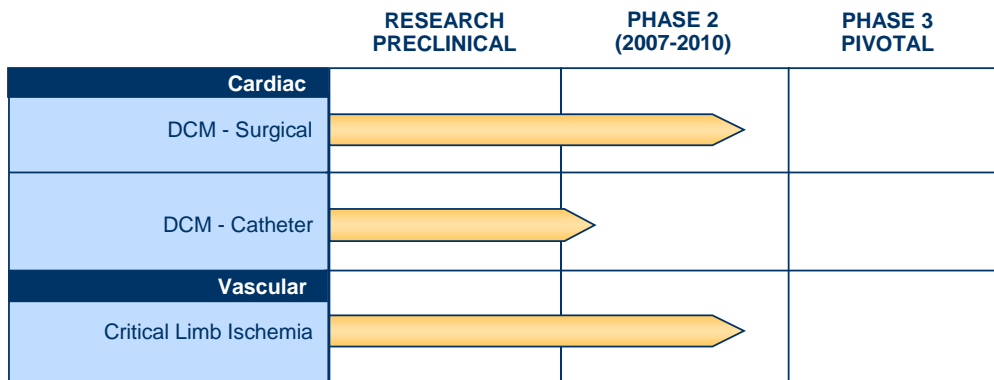
Total number of adults (US)	245,267,292		245,267,292
Total number of children (US)	61,944,831		61,944,831
# of affected persons	0.25		0.45
out of	1,000		1,000
Proportion	0.025%		0.045%
Total US Population	307,212,123		307,212,123
Low Estimate	76,803	High Estimate	138,245
Total number of adults (US)	245,267,292		245,267,292
Low estimate of adult incidence	61,317		110,370
Total Population			
# of affected persons	500		1,000
out of	1,000,000		1,000,000
Proportion	0.050%		0.100%
Total U.S. Population	307,212,123		307,212,123
Low Estimate	153,606	High Estimate	307,212
Total number of adults in the U.S.	245,267,292		245,267,292
Low Estimate of adult incidence	122,634		245,267

Sources: Hankey, G.J., Norman, P.E. and Eikelboom, J.W. Medical Treatment of Peripheral Arterial Disease. 2006. Novo, S., Coppola, G., and Milio, G. Critical Limb Ischemia: Definition and Natural History. 2004. Meissner, O., Rieger, J., Weber, C., Siebert, U., Steckmeier, B., Reiser, M.F., and Schoenberg, S. O. Critical Limb Ischemia: Hybrid MR Angiography Compared with DSA. 2005.

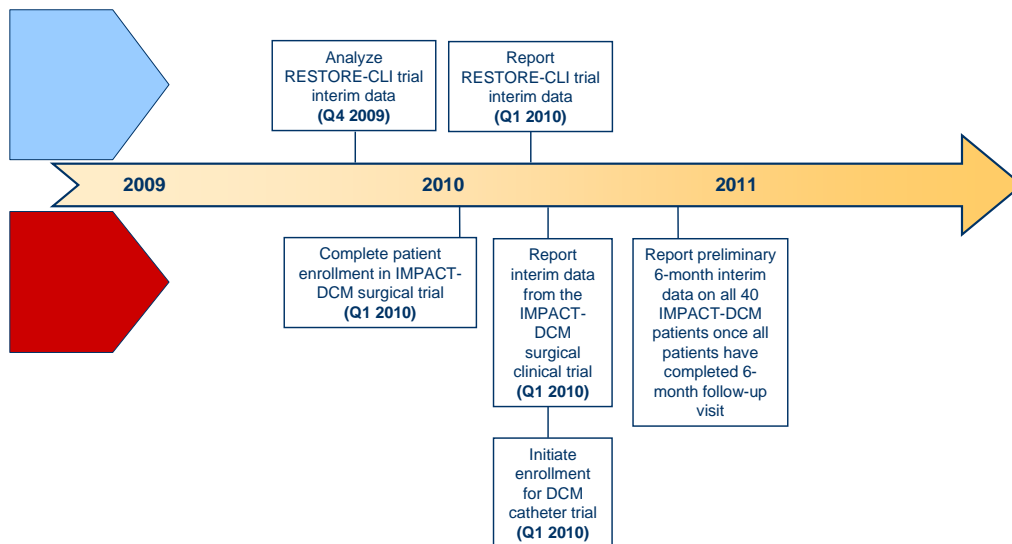
Regulatory

The US Phase 2 IMPACT-DCM clinical trial (surgical delivery for treatment of dilated cardiomyopathy) has enrolled 40 patients at 5 sites. ASTM had announced approval by the FDA to initiate a 2nd randomized, controlled, prospective, open-label, Phase 2 clinical trial investigating the delivery of tissue repair cells via catheter injection for the treatment of DCM.

The US Phase 2b RESTORE-CLI clinical trial has completed enrollment to evaluate the use in the treatment of patients suffering from critical limb ischemia (CLI), the most severe form of peripheral arterial disease (PAD). The first 30 patients in the RESTORE-CLI trial have completed the 12 month follow-up visits and 46 patients' 6 month follow-up visits.



In addition to using tissue repair cell (TRC) technology in regulated clinical trials, certain non-US regions allow autologous cell products to be utilized in patient treatments without further registration or marketing authorization.



Key Catalysts and Milestones

DATE	EVENTS	STATUS
Q1/10	Top-line Interim Results from RESTORE-CLI Phase 2b clinical trial	On-Going
Q1/10	Complete enrollment in IMPACT-DCM Phase 2 surgical clinical trial	On-Going
Mid - 2010	Presentation of Interim Results from RESTORE-CLI Phase 2b clinical trial	Anticipated
Q4/10	Presentation of Results from IMPACT-DCM Phase 2 surgical clinical trial – 6-month follow-up	Anticipated
Q4/10	Complete enrollment in IMPACT-DCM Phase 2 catheter clinical trial	Anticipated

Insider and Institutional Holdings

Holdings	
Holder	Holder
Vanguard Group	Northern Trust Corp
Barclays Global Investors UK Holdings	Geode Capital Management
Renaissance Tecknologies	Bank of New York Mellon Corporation
Commerzbank Aktiengesellschaft	State Street Corp
CALPERS	Fusion Capital
Deutsche Bank	

Capitalization

Financial Instruments (As of 4/xx/10)	# of Shares
Number of Common Shares Outstanding	28.256 M
Conversion of Preferred into Common Warrants Outstanding (8.877 M) and Stock Options (1.879 M)	10.756 M
Fully Dilutive Total	39.012 M

Financing History, Risks and Patents

Financing History: ASTM executed a \$30M common stock purchase agreement with Fusion Capital in 6/29/09; during the Q's and 6 months ending 12/31/09; 2,196,953 and 13,748,439 shares of ASTM's common stock, respectively, including 64,538 and 411,467 shares were issued as payment of the commitment fee respectively to Fusion Capital for net proceeds of \$800 K and \$5.1 M.

On 1/21/10, ASTM completed the sale of 52,077,100 units (including 5,923,100 units sold to the underwriter pursuant to the exercise of its over-allotment option) at a public offering price of \$0.26 per unit. Each unit consisted of 1 share of common stock, a Class A warrant to purchase 0.75 of a share of common stock at an exercise price of \$0.3718 per share and a Class B warrant to purchase 0.50 of a share of common stock at an exercise price of \$0.26 per share. ASTM received approximately \$12.4 M in net proceeds from the sale of the units (including the partially exercised option of the over-allotment), after underwriting discounts and commissions and other offering expenses.

The 52,077,100 units consist of an aggregate of 52,077,100 shares of common stock, Class A Warrants to purchase an aggregate of 39,057,825 shares of common stock and Class B Warrants to purchase an aggregate of 26,038,550 shares of common stock. The Class A Warrants are exercisable for a 5 year period commencing on 7/21/10. The Class B Warrants are exercisable at any time from 1/21/10 through 7/21/10.

Risks: The global economy and capital markets are challenging for the small cap stem cell sector which make the timing and potential for future equity financings uncertain. ASTM's operations and financial results are subject to various risks and uncertainties that could adversely affect its business, financial condition, results of operations, cash flows, and common stock trading price. There are always risks and uncertainties that are not known or should be considered to be material. Also, ASTM's past losses and expected future losses could cast doubt on their ability to operate to a profit. ASTM's major ongoing research and development programs are focused on the clinical development of TRC-based products from bone marrow-derived adult stem and early progenitor cells for use in cardiac regeneration as well as vascular regeneration.

The uncertainties of clinical trials, the evolving regulatory requirements applicable to TRC-based products and estimating the completion dates or cost to complete major R&D programs are highly speculative and subjective. The risks and uncertainties associated with developing products, including significant and changing governmental regulation and the uncertainty of future clinical study results could prevent, limit or delay ASTM's ability to market or develop products. Product development activities could also limit their ability to operate or finance operations.

The potentially lengthy process of seeking regulatory approvals for product candidates, and the subsequent compliance with applicable regulations, will require the expenditure of substantial resources. Failure to obtain, or any delay in obtaining, regulatory approvals could cause their R&D expenditures to increase and have a material adverse effect on operations. ASTM will need to raise a significant amount of additional funds; they will also need significant additional funds or a collaborative partner, or both, to finance the research and development activities of cell product candidates for additional indications.

Patents: ASTM has 26 patents issued and 4 pending with 41 foreign issued patents and 4 pending. Certain patent equivalents to the US patents have also been issued in other jurisdictions including Australia, Japan, the Republic of Korea and Canada as well as under the European Convention. ASTM also relies on exclusive, world-wide licenses relating to the production of human cells granted by the University of Michigan for certain patent rights.

Valuation Analysis

The majority of the stem cell companies covered by Scimitar Equity (Scimitar) are stem cell development (stage) companies that are not profitable and may not be profitable in the foreseeable future. These companies have an increased degree of volatility relative to the overall market. Valuation should be understood in terms of an objective quantitative model and a comprehensive qualitative explanation that enlightens investors to expectation and potential.

Models reflect current judgment, as qualitative analysis and quantitative models are always subject to change based on share pricing, share/capitalization increases or decreases based on regulatory constraints and status, market conditions, perceptions and sentiment. Thus, in these current volatile market/economic times, Scimitar has stepped back from making specific price targets; but, relies upon basic valuation assumptions in this relatively new and extremely regulated industry group. We thus defer to scenarios in which the current or direct comparables can not be specifically defined due to the different stem cells being developed, methods, their focus and delivery of therapies as well as their disease targets.

Given the lack of a specific valuation or an estimate formula for stem cell companies, we are blending different models for a valuation, or as some refer to a price target to come up with a true measurement tool. We retain the discounted cash flow analysis, but most of these companies generate losses per share layered by multiple dilutive financings hoping for the holy grail of an approved therapy.

We, therefore, derived our current valuation by using a Blended Price Valuation Table which includes a Sum of the Parts (SOTP) analysis and a direct comparable analysis layered with a sector comparable analysis. We believe that generating multiple models to include distinct comparable (direct and sector scenarios) models and then blending them based on actual market standing (versus the status of on-going trials) allows us to better evaluate the valuation of ASTM. We also believe that this allows us to create our "ScimitarEquity™" model for actual pricing or standing in relation to the sector as a whole, while addressing the risk in the market.

Blended Valuation Table	
Sum-of-The-Parts	\$5.78
Comparable Analysis	\$2.26
Sector Analysis	\$3.39
Avg. Blended Price Valuation	\$3.81

The current valuation using a Blended Price Valuation Table includes a Sum of the Parts (SOTP) analysis, a direct comparable analysis layered with a sector comparable analysis.

Our SOTP scenario is extremely conservative (with a moderate **20%** discount factor) and details a value of **\$5.78** and when merged with a direct comparables index of **\$2.26** reinforced by a stem cell sector perspective of **\$3.39** implies a blended valuation of **\$3.81** given the current shares outstanding of **28.26 M** with a fully diluted number of **39.012 M**.

We note the average market capitalization of designated comparables is **\$88.35 M** or about **1.3 X** the implied multiple of ASTM's market cap of **\$67.10 M (Fully Diluted)**. In a review of the overall public stem cell sector companies, ASTM has a **2.0 X** multiple and a full value of **\$3.39**.

Valuation Analysis (continued)

ASTM:

Sum of the Parts Analysis

Part (in 000's)	Value
2009E revenues (000's)	\$182
Price/sales multiple	1.0x
Discount rate	20.0%
Periods	4.00
Value of revenue	\$88
Cash	25,500
Technology Value (Intangible)	200,000
Total	\$225,588
Est. Shares Outstanding (Fully Diluted)	39,012
Implied fair value	\$5.78

Per share:		
Revenues	\$	0.00
Cash	\$	0.65
Technology	\$	5.13
Total	\$	5.78

The Sum of the Parts (SOTP) analysis seeks to break the organization into key component pieces, then attempts to value each piece separately. As the name implies, the sum of these different components provides the value for the overall firm. Typically, key components in the biotech arena include the revenues, cash, and intangible assets of the firm. These components are divided by the total shares outstanding to find the per-share value of each piece, and then summed together for the total value. For the revenue piece, a discount rate and price to sales (P/S) multiple is applied, dependent upon firm characteristics, to find the per-share value of revenue. The cash and technology are simply divided by the number of shares outstanding, and the sum of these three components should provide a fair value for the firm's stock price.

Valuation Analysis (continued)

Direct Comparables:

Small-Mid Cap Stem Cell Company Comparables		(as of close of trading, Tues., 4/6/10)		
Company	Ticker	Price	Market Cap (\$M)	EV (\$M)
Advanced Cell Technology	ACTC.OB	\$0.10	\$71.80	\$81.79
Bioheart	BHRT	\$0.72	\$14.05	\$23.68
Osiris Therapeutics	OSIR	\$7.54	\$247.12	\$142.48
Pluristem Therapeutics	PSTI	\$1.14	\$20.42	\$16.36
Average of Comparables		\$2.37	\$88.35	\$66.08
Aastrom Bioscience	ASTM	\$1.720	\$67.10 (Fully Diluted)	
Implied Multiples			1.3x	
Implied Fair Value ASTM			\$2.26	

Advanced Cell Technology (ACTC.OB) completed the acquisition (9/07) of Mytogen and its Myoblast program for the treatment of heart failure. The myoblast stem cell therapy involves transplantation of expanded autologous myoblasts (adult progenitor stem cells) derived from a small biopsy of skeletal muscle from a patient's leg. While the Phase I human clinical trials were focused on the safety of the therapy, the clinical data from those trials suggests that the myoblasts often improve function in the heart and can lead to a significant increase in quality of life for the patient. The FDA has reviewed the "end-of-Phase I" data and will allow ACTC.OB to proceed with a Phase II human clinical trial.

BioHeart's (BHRT.OB) lead product candidate is MyoCell, a clinical muscle-derived cell therapy designed to populate regions of scar tissue in a patient's heart with autologous muscle cells for improving cardiac function in chronic heart failure patients. MyoCell is also a clinical therapy designed to improve cardiac function by populating regions of scar tissue within a patient's heart with muscle stem cells (myoblasts) derived from a biopsy of a patient's thigh muscle. BHRT.OB's uses of myoblasts are obtained from a patient's own body to treat chronic heart damage.

Osiris Therapeutics' (OSIR) Osiris' stem cells are derived from the bone marrow of healthy adult donors. But, OSIR develops a process for the expansion of human mesenchymal stem cells (MSCs). Prochymal is currently being evaluated in clinical trials for the preservation and improvement of cardiac function following an acute myocardial infarction, or heart attack.

Pluristem Therapeutics (PSTI) engages in the research, development, and production of placental-derived adherent stromal cells (ASCs) which involves non-personalized (allogeneic) cell therapy products for the treatment of various severe degenerative, ischemic, and autoimmune disorders. PSTI's Phase I clinical trial is PLX-PAD for people suffering from peripheral artery disease.

Valuation Analysis (continued)

Sector Comparables

Small-Mid Cap Stem Cell Sector Comparables		(as of close of trading, Tues., 4/6/10)		
Company	Ticker	Price	Market Cap (\$M)	EV (\$M)
Athersys	ATHX	\$3.00	\$56.79	\$35.30
Stem Cells	STEM	\$1.16	\$138.35	\$100.55
Geron Corporation	GERN	\$5.88	\$573.04	\$452.66
Opexa Therapeutics	OPXA	\$2.52	\$39.13	\$27.22
Neuralstem	CUR	\$2.01	\$70.01	\$67.59
Neostem	NBS	\$1.70	\$71.73	\$66.87
BioTime	BTIM	\$7.00	\$235.82	\$223.97
MultiCell Technologies	MCET.OB	\$0.01	\$2.95	\$5.32
Intl. Stem Cell Corporation	ISCO.OB	\$2.18	\$135.96	\$143.15
Brainstorm Cell Therapeutics	BCLI.OB	\$0.32	\$28.07	\$27.56
Renuron Group	RENE.L	\$8.23	\$23.59	\$21.22
Cytori Therapeutics	CYTX	\$4.91	\$210.28	\$190.50
Average of Comparables		\$3.24	\$132.14	\$113.49
Aastrom Bioscience	ASTM	\$1.720	\$67.10	
Implied Multiples			2.0x	
Implied Fair Value ASTM			\$3.39	

Athersys' (ATHX) product pipeline includes MultiStem, a novel allogeneic approach to stem cell therapy and regenerative medicine and also develops orally active pharmaceutical products for the treatment of obesity and certain central nervous system disorders, including narcolepsy, excessive daytime sleepiness, and chronic fatigue, as well as other potential indications consisting of attention deficit hyperactivity disorder and other cognitive disorders, including schizophrenia. It has product co-development collaboration with Angiotech Pharmaceuticals, Inc. for the potential application of MultiStem in multiple cardiovascular indications, including myocardial infarction, peripheral vascular disease, and certain other indications. In addition, the company has a collaboration agreement with Pfizer Inc. to develop and commercialize MutiStem for the treatment of inflammatory bowel disease. **StemCells (STEM)** develops cell-based therapeutics for the central nervous system and liver. STEM's lead product candidate, HuCNS-SC cells have completed a Phase I clinical trial for the treatment of infantile and late infantile neuronal ceroid lipofuscinosis, a neurodegenerative disease that affects infants and young children. HuCNS-SC cells are also in Phase I clinical trial for the treatment of Pelizeaus-Merzbacher disease, a fatal myelination disorder in the brain. In addition, it involves in preclinical development with its human liver engrafting cells (hLEC) to evaluate hLEC as a potential cellular therapy for a range of liver diseases. It markets a range of proprietary cell culture products under the SC Proven brand, including iSTEM, GS1-R, GS2-M, RHB-A, RHB-Basal, NDiff N2B27, NDiff 2 and 27 supplements, HEScGRO, and ESGRO. **Geron (GERN)** develops biopharmaceuticals for the treatment of cancer and chronic degenerative diseases, including spinal cord injury, heart failure, and diabetes. It develops a range of anti-cancer therapies based on telomerase inhibitors and telomerase therapeutic vaccines; and diagnostics based on telomerase detection, as well as intends to develop products using telomerase as a marker for cancer diagnosis, prognosis, patient monitoring, and screening. GERN develops Imetelstat (GRN163L), which is in Phase I clinical trial for the treatment of chronic lymphoproliferative diseases, solid tumors, multiple myeloma, and non-small cell lung cancer. GRN163L is also in Phase I/II clinical trial to treat breast cancer. GERN also develops GRNVAC1 that is in Phase II clinical trial for the treatment of acute myelogenous leukemia. It also develops GRNOPC1, which is in Phase I Trial for treatment of spinal cord injury; and GRNCM1 that is in preclinical stage to treat heart disease and screening. GERN has licensing agreement with Merck & Co. to develop telomerase cancer vaccine, which is in Phase I clinical trial for the treatment of prostate and solid tumors and Sienna Cancer Diagnostics to develop a preclinical stage product for the treatment of bladder cancer.

Valuation Analysis (continued)

Opexa Therapeutics (OPXA) develops patient-specific cellular therapies for the treatment of autoimmune diseases. Its lead product candidate, Tovaxin, is a personalized T-cell therapeutic vaccine under Phase IIb clinical trial for the treatment of multiple sclerosis. Tovaxin is derived from T-cells isolated from peripheral blood, expanded ex vivo, and reintroduced into the patients via subcutaneous injections. **NeoStem (NBS)** engages in the development of stem cell-based therapies for anti-aging initiatives and building a network of adult stem cell collection centers in the US and China. It provides adult stem cell collection, processing, and storage services enabling healthy individuals to donate and store their stem cells for personal therapeutic use. In addition, it offers anti-infective drugs that include active pharmaceutical ingredients (API) under Acetylspiramycin and Oxacillin Sodium names; and injectible finished products under Mezlocillin Sodium, Amoxicillin/Sulbactam Sodium, and Cefoperazone/Sulbactam Sodium names. **BioTime (BTIM)** develops blood plasma volume expanders and blood replacement solutions for hypothermic (low temperature) surgery, and organ preservation solutions and technology for use in surgery, emergency trauma treatment, and other applications. Its stem cell technologies comprise iPSC technology that allows the transformation of human cells of the body back to a primordial stem cell state; and ACTCellerate technology that permits the generation of purified cells of the human body. BTIM's lead product, Hextend, is a hetastarch-based synthetic blood plasma volume expander used in surgery, emergency trauma treatment, and other applications. It manufactures and distributes Hextend in the US by Hospira and in South Korea by CJ CheilJedang Corp under licensing agreements. **MultiCell Technologies' (MCET.OB)** therapeutic pipeline includes MCT-125, a Phase IIb therapeutic candidate for the treatment of primary multiple sclerosis-related fatigue; MCT-175, a preclinical therapeutic candidate for the treatment of relapsing-remitting MS; MCT-465, a preclinical adjuvant therapeutic candidate for the treatment of TLR3+ cancers; and MCT-475, a preclinical therapeutic candidate for the treatment of TLR3+ breast cancer. In addition, it has patented the 'Sybiol' synthetic bio-liver device to produce therapeutic proteins using BioFactories technology. **International Stem Cell Corporation (ISCO.OB)** creates human cells for the treatment diabetes, liver disease, corneal disease, and retinal disease through cell transplant therapy, as well as engages in the development of therapeutic products. It develops pluripotent stem cells that are comparable in function to embryonic stem cells from which cells for human transplant are derived; and techniques to cause those cells to be differentiated into the specific cell types required for transplant, as well as manufactures protocols to produce these cells without contamination with animal by-products. ISCO.OB research products include Fibrolife, a human fibroblast medium available as a serum-free or low serum formats; human fibroblast cells for use as feeder layers to grow human embryonic stem cells, which eliminate contamination from mouse cells; VascuLife VEGF-Microvascular and VascuLife EnGS.-Microvascular, the low serum human endothelial medium; human endothelial cells form blood vessels; and DermaLife, the human serum-free keratinocyte medium for the culture of human epidermal. **Brainstorm Cell Therapeutics (BCLI.OB)** develops stem cell therapeutic products based on breakthrough technologies enabling the in-vitro differentiation of bone marrow stem cells to neural-like cells. It focuses on utilizing the patient's own bone marrow stem cells to generate neurotrophic-factors (NTF) cells that provide treatment for amyotrophic lateral sclerosis, Parkinson's disease, and spinal cord injury. **ReNeuron's (RENE.L)** stem cell products are derived from non-embryonic human tissue sources. RENE.L's stem cell therapy program have been built around stem cell expansion technology, *c-mycER*. This platform enables, from a single tissue sample, the growth of selected human stem cells into banks of quality-assured stem cell lines. These stem cell lines contain enough stem cells to treat many thousands of potential patients. This capability has enabled RENE.L to focus on developing non-patient-specific or allogeneic, stem cell treatments addressing diseases with large patient populations. RENE.L designated the first retinal candidate as ReN003 which could demonstrate functional improvement of vision after grafting of hRPCs in ophthalmic disease models. **Cytori Therapeutics (CYTX)** develops its product pipeline for the treatments of cardiovascular disease, spinal disc degeneration, gastrointestinal disorders, liver and renal disease, and pelvic health conditions. Its principal products include the Celution family of products, which processes patients' adipose-derived stem and regenerative cells (ADRCs) at the point of care. The Celution family of products consists of a central device, a related single-use consumable used for each patient procedure, proprietary enzymes, and related instrumentation. Its core product, the Celution System, provides physicians with clinical grade stem and regenerative cells for use in the cosmetic and reconstructive surgery market. CYTX also sells the StemSource family of products worldwide, including in the US, for research, as well as for the cryopreservation and storage of ADRCs. It offers the StemSource System as a stand alone product, or as a part of a comprehensive suite of systems, equipment, and protocols collectively referred to as a StemSource Cell Bank. CYTX also develops Celution System for applications in cardiovascular disease, wound healing, gastrointestinal disorders, stress urinary incontinence, liver and renal disease spinal disc degeneration, and pelvic health conditions. Cytori has strategic development and manufacturing joint venture agreement, and other related agreements with Olympus Corporation

Valuation (cont)

Our Standardized Scimitar Valuation Matrix and Price Target Sensitivity Analysis below assume a **2010** EPS (the companies second estimated year of profitability) of **(\$0.43)**. We apply a standard **20 x** P/E biotech multiple to 2010 EPS and a 20% Discount Rate back to 2009 or 4 years/periods and achieve a fair value of **\$4.16** per share.

Valuation Matrix

Based on projected EPS in 2010 of: **(\$0.43)**

P/E x	Discount Factor				
	10.0%	15.0%	20.0%	25.0%	30.0%
10	(\$2.95)	(\$2.47)	(\$2.08)	(\$1.77)	(\$1.51)
15	(\$4.42)	(\$3.70)	(\$3.12)	(\$2.65)	(\$2.27)
20	(\$5.90)	(\$4.94)	(\$4.16)	(\$3.54)	(\$3.02)
25	(\$7.37)	(\$6.17)	(\$5.20)	(\$4.42)	(\$3.78)
30	(\$8.84)	(\$7.40)	(\$6.24)	(\$5.30)	(\$4.53)

Source: Scimitar Equity, LLC Estimates

Valuation Analysis (continued)

Aastrom Biosciences, Inc (in thousands)				
Balance Sheet	2007A	2008A	2009A	2010E
Assets				
Current Assets				
Cash and cash equivalents	13,439.0	16,492.0	17,000.0	14,574.9
Short-term investments	14,886.0	5,970.0	0.0	0.0
Receivables, net	78.0	18.0	58.0	8.3
Inventories	8.0	0.0	1.0	0.5
Other current assets	1,766.0	1,583.0	732.0	909.7
Total Current Assets	30,177.0	24,063.0	17,791.0	15,493.4
Property and equipment, net	2,671.0	2,154.0	1,485.0	816.0
Total Assets	32,848.0	26,217.0	19,276.0	16,309.4
Liabilities				
Current liabilities				
Accounts payable and accrued expenses	1,823.0	907.0	853.0	746.9
Accrued employee benefits	1,238.0	747.0	355.0	467.6
Current portion of long-term debt	439.0	446.0	479.0	239.5
Total Current Liabilities	3,500.0	2,100.0	1,687.0	1,453.9
Long-term debt	1,097.0	783.0	305.0	152.5
Shareholder's Equity				
Common stock	187,995.0	203,211.0	213,107.0	213,107.0
Deficit accumulated during development stage	(159,744.0)	(179,877.0)	(195,823.0)	(198,404.0)
Total Shareholder's Equity	28,251.0	23,334.0	17,284.0	14,703.0
Total Liabilities and Shareholder's Equity	32,848.0	26,217.0	19,276.0	16,309.4
Balance Check	0.0	0.0	0.0	0.0

Valuation Analysis (continued)

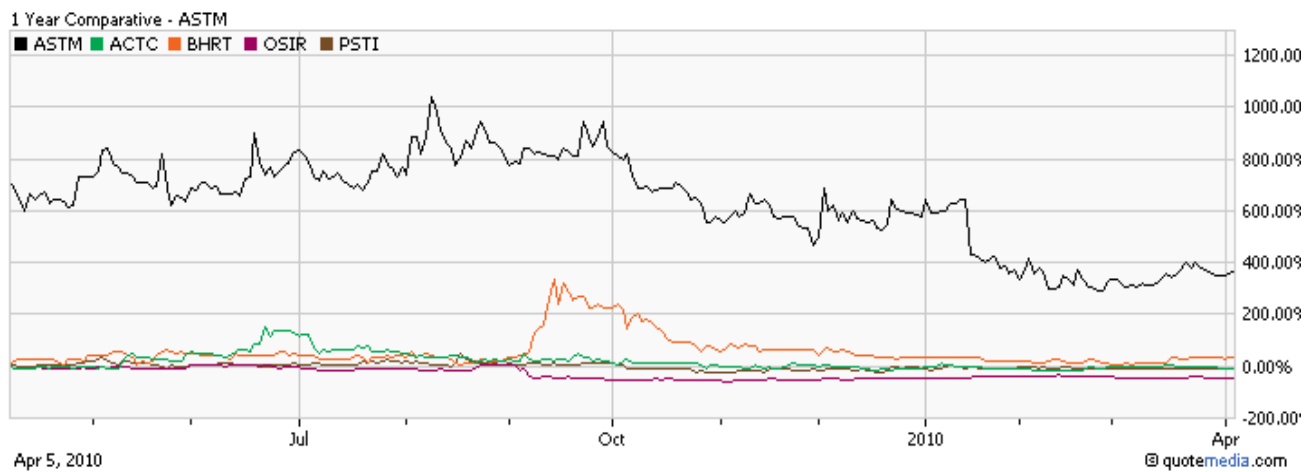
Loss on property held for resale	0.0	0.0	0.0	0.0
Amortization of discounts and premiums for investments	(547.0)	(381.0)	(30.0)	(30.0)
Stock compensation expense	2,806.0	1,603.0	1,362.0	1,362.0
Inventory write-down/reserves	0.0	0.0	0.0	0.0
Stock issued pursuant to license agreement	0.0	0.0	0.0	0.0
Provision for loss on accounts receivable	0.0	0.0	0.0	0.0
Change in assets and liabilities:				
Receivables	61.0	60.0	(40.0)	49.7
Inventories	(7.0)	8.0	(1.0)	0.5
Other current assets	(461.0)	(58.0)	592.0	(177.7)
Accounts payable and accrued expenses	633.0	(867.0)	(54.0)	(106.1)
Accrued employee benefits	(217.0)	(491.0)	(392.0)	112.6
Net cash used for operating activities	(14,826.0)	(19,527.0)	(13,805.0)	(1,998.1)
Investing Activities				
Organizational costs	0.0	0.0	0.0	0.0
Purchase of short-term investments	(49,376.0)	(30,703.0)	0.0	0.0
Maturities of short-term investments	69,000.0	40,000.0	6,000.0	0.0
Property and equipment purchases	(1,064.0)	(215.0)	(35.0)	(35.0)
Proceeds from property held for sale	0.0	0.0	0.0	0.0
Net cash provided by (used for) investing activities	18,560.0	9,082.0	5,965.0	(35.0)
Financing Activities				
Net proceeds from issuance of preferred stock	0.0	0.0	0.0	0.0
Net proceeds from issuance of common stock	697.0	13,613.0	8,534.0	0.0
Repurchase of common stock	0.0	0.0	0.0	0.0
Payments received for stock purchase rights	0.0	0.0	0.0	0.0
Payments received under shareholder notes	0.0	0.0	0.0	0.0
Restricted cash used as a compensating balance	(777.0)	241.0	259.0	0.0
Proceeds from long-term debt	751.0	0.0	0.0	0.0
Principal payments under long-term debt (current portion)	0.0	0.0	0.0	(239.5)
Principal payments under long-term debt (non-current portion)	0.0	(356.0)	(445.0)	(152.5)
Net cash provided by financing activities	671.0	13,498.0	8,348.0	(392.0)
Net increase (decrease) in cash	4,405.0	3,053.0	508.0	(2,425.1)
Cash available for debt Pay down				(2,033.1)

Valuation (cont)

ASTM Share Price and Volume



Comparables Index



Aastrom Biosciences, Inc. (ASTM): Black
Advanced Cell Technologies, Inc. (ACTC): Green
Bioheart, Inc. (BHRT): Orange
Osiris Therapeutics, Inc. (OSIR): Pink
Pluristem Therapeutics, Inc. (PSTI): Brown

Technology

There are numerous sources of human stem cells. Adult stem cells are the least controversial and may be collected from the bone marrow, blood or other tissue of patients or healthy donors.

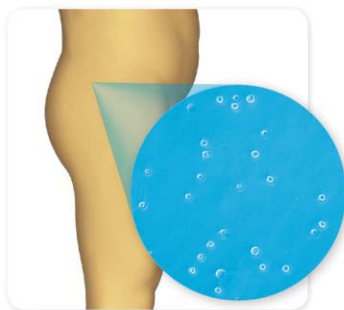
Aastrom (ASTM) utilizes only bone marrow-derived adult stem cells in all of its research and clinical development programs. ASTM's stem cell development strategy seeks to overcome this shortage of stem cells by growing large numbers of a patient's own stem cells outside the body for use as treatments to promote tissue repair and regeneration.

Adult stem cells have a long history of human use as therapeutics beginning with bone marrow transplantation, and continuing with cell-based clinical trials focused on tissue repair. ASTM seeks to leverage the history and therapeutic potential of bone marrow stem cells by producing a mixed population of stem and early-stage progenitor cells that are capable of differentiating into a variety of tissues including, cardiac, vascular, bone, fat, cartilage and components of the blood and immune systems

Autologous stem cells are cells obtained from a specific patient and returned to the same patient. When patients receive their own cells, there is no concern that the body will reject the implanted cells as foreign material and there is no need for the addition of potentially harmful immunosuppressive drugs. Autologous cells may integrate more effectively into the patient's body and better interact with the surrounding tissue to promote healing. All of Aastrom's products are autologous cell therapies with the goal of maximizing their long-term therapeutic efficacy and ensuring patient safety.

The key advantage of ASTM's TRC based products is that the number of stem and progenitor cells is significantly expanded beyond what could be obtained directly from the patient, potentially enhancing the ability of the product to regenerate damaged or diseased tissues.

Aastrom's Tissue Repair Cell (TRC) Technology



Day 1

A small quantity (approx. 50ml) of bone marrow stem cells is taken from the patient's hip in a 15-minute in-office (outpatient) procedure.



Days 2-13


Over a period of about 12 days, Aastrom's proprietary TRC technology expands the naturally occurring populations of early stem and progenitor cells found in the extracted bone marrow. These cells are known to play key roles in tissue regeneration.

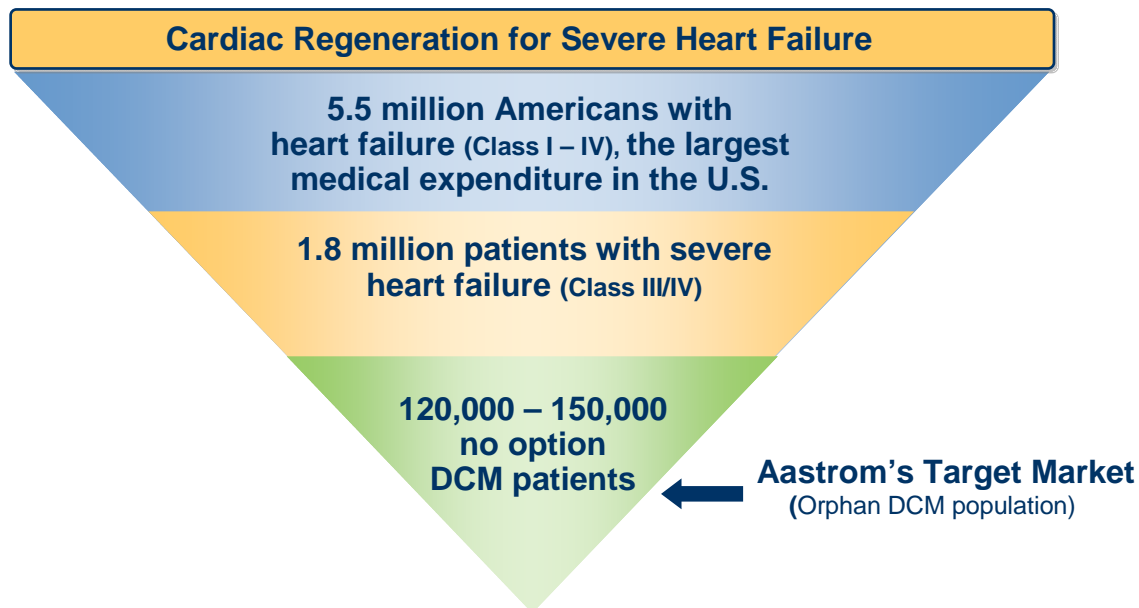


Day 14

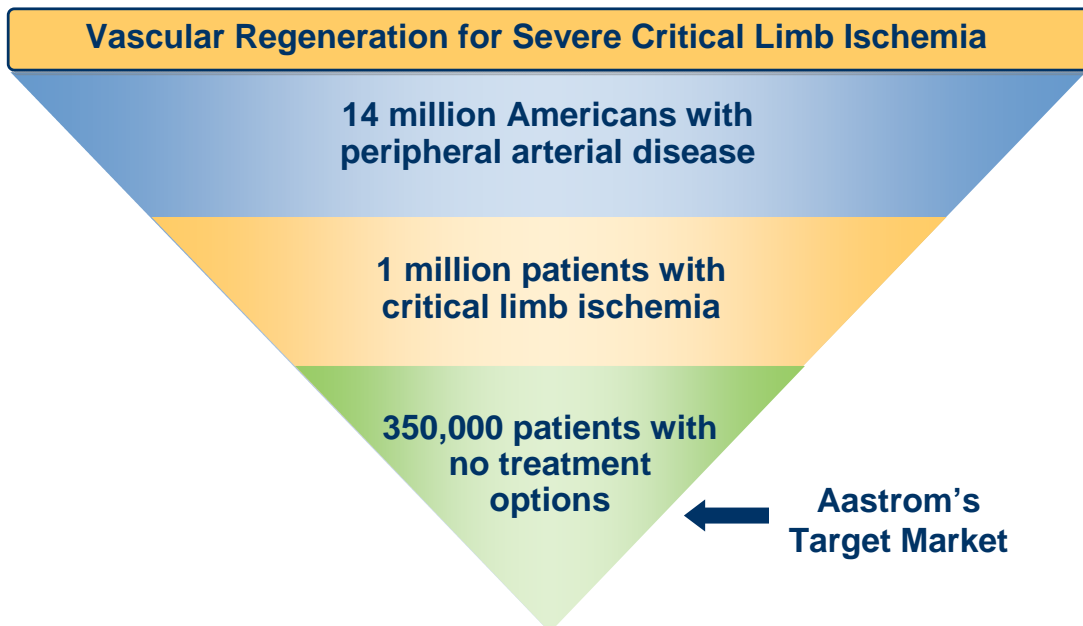
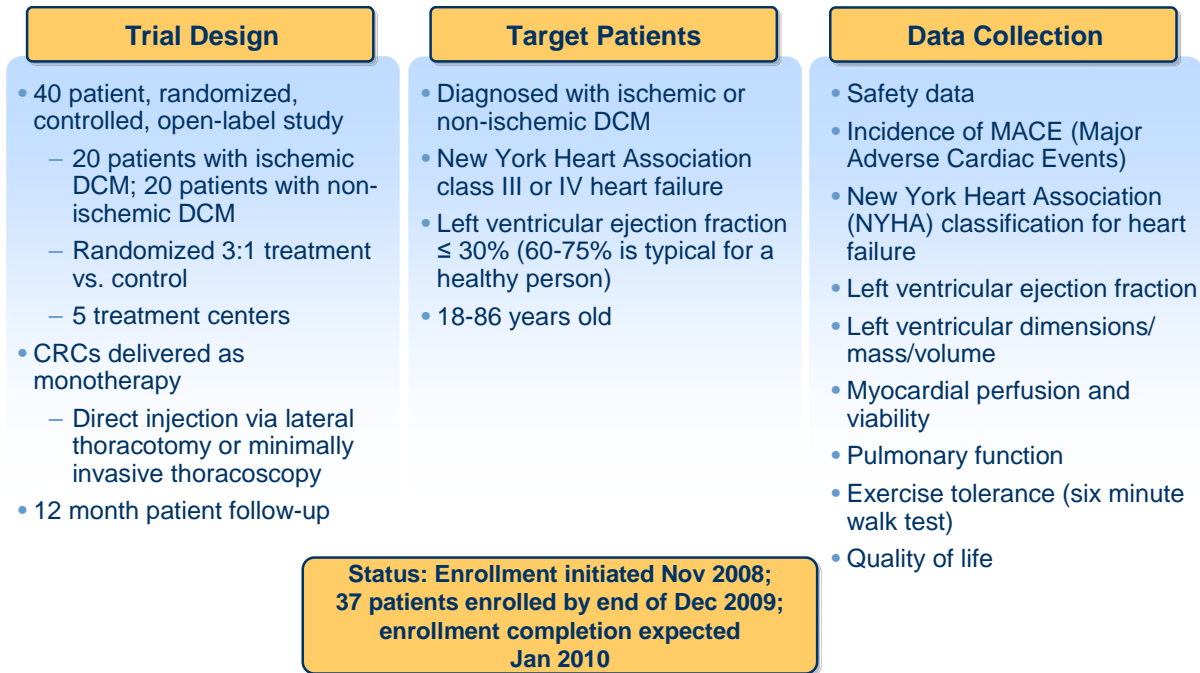
In a single inpatient procedure, the cellular therapy produced from this process is then administered to the same patient to promote healing of the affected tissues.

Technology (cont)

	Platform	Scientific Rationale	Clinician Quotes
 <p>Likelihood of Success</p>	Mixed Population of Stem and Progenitor Cells	<ul style="list-style-type: none"> Provides mesenchymal, endothelial progenitor and other active cells <ul style="list-style-type: none"> Allows for revascularization to support new tissue growth 	<i>"Using a mixed population of cells offers the best chance of success"</i>
	Isolated Mesenchymal Cells	<ul style="list-style-type: none"> Upon harvest of patients' bone marrow, mesenchymal stem cells are isolated and either purified or expanded prior to use Mechanism of action is easier to identify due to a single cell type 	<i>"Allows for the formation of new tissue but does not create a support system"</i>
	Allogeneic Stem Cells	<ul style="list-style-type: none"> "Universal" cell line that can be used "off the shelf" in any patient <ul style="list-style-type: none"> Scalable process for manufacturing Potential for serious immune response 	<i>"The potential for an immune response is too great"</i>
	Tissue-Specific Stem Cells	<ul style="list-style-type: none"> Isolate tissue-specific stem cells of interest <ul style="list-style-type: none"> Difficult to isolate and expand due to low stem cell yield Little success when investigated in clinical trials for heart failure 	<i>"Skeletal myoblasts to date have failed miserably in clinical trials"</i>



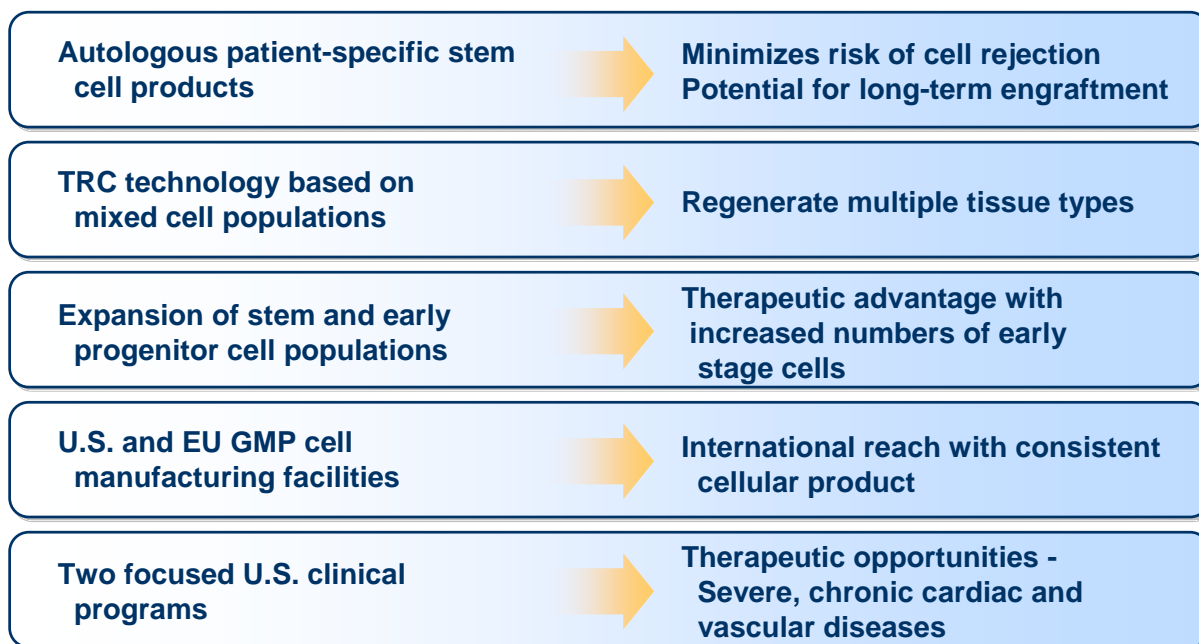
Technology (cont)



Technology (cont)

Trial Design	Target Patients	Data Collection
<ul style="list-style-type: none"> • Up to 150 patients in a prospective, controlled, randomized, double-blind study <ul style="list-style-type: none"> – Randomized 2:1 treatment vs. control – Up to 30 treatment centers • Vascular Repair Cells (VRCs) delivered as monotherapy <ul style="list-style-type: none"> – Direct injection of VRCs into the muscle • 12 month patient follow-up 	<ul style="list-style-type: none"> • Diagnosed with chronic critical limb ischemia and no option for revascularization • Diabetes (if present) and blood pressure (if elevated) is controlled • Open wounds (if present) rate 3 or less on Wagner scale • No previous amputations at talus or above on limb requiring treatment • 18-90 years old 	<ul style="list-style-type: none"> • Incidence of adverse events • Amputation (incidence and time to surgery) • Wound healing • Blood pressures in treated limb • Pain (severity and medication use) • Quality of life

Status: Enrollment initiated Jun 2007; 79 patients enrolled by end of Dec 2009



Financial Highlights

Q1/10

Q1 revenues (product sales) were \$73 K. Total costs and expenses decreased to \$3.889 M. R&D expenses increased to \$2.911 M for Q/1. This increase (from \$2.726 M) reflects continued expansion of clinical development activities including the costs associated with recruitment and treatment of patients in the IMPACT-DCM clinical trial. R&D expenses for the quarters ended 9/30/09 and 2008 also include a non-cash charge of \$186,000 and \$162,000, respectively, relating to share-based compensation expense. SG&A expenses were \$946 K. SG&A also include a non-cash charge of \$140 K, relating to share-based compensation expense. Interest income was \$28,000. Fluctuations (from previous Q's) in interest income are due primarily to corresponding changes in the level of cash and cash equivalents during the periods. Interest expense was \$13,000. Net loss for Q1/10 was \$3,801,000, or \$0.02 per common share. The changes in net loss is primarily the result of fluctuations in spending of R&D expenses were in part on a per share basis resulting from an increase in the weighted average number of common shares outstanding. At 9/30/09, Aastrom had \$17.4 M in cash and cash equivalents. .

Q2/10

Total revenues for Q2/10 were \$16,000. Total costs and expenses for Q2/10 were \$4.601M. R&D expenses were \$3.283 M. This increases reflected continued expansion of clinical development activities including the costs associated with recruitment and treatment of patients in the IMPACT-DCM and RESTORE-CLI Phase 2 clinical trials. R&D expenses included a non-cash charge of \$175 K and \$361K relating to share-based compensation expense. G&A expenses were \$1.316 M. This decrease was primarily due to an offset of \$279 K to the stock compensation expense that was recorded in Q1/10. This offset reversed previously recognized stock compensation expense for certain options held by George W. Dunbar that were forfeited when he stepped down as chief executive officer, president and chief financial officer on 12/14/09 as these options were no longer expected to vest. For Q2/ 10, G&A expenses included a non-cash charge of \$127 K relating to share-based compensation expense. Interest income for Q2/10 was \$21 K. Any fluctuations in interest income are due primarily to corresponding changes in the level of cash, cash equivalents and short-term investments during past periods and varying yields from the company's investments. Interest expense was \$11,000. Net loss for Q1/10 was \$4.575 M or \$.03 per share. After the completion of the public offering of common stock and warrants in 1/10, ASTM had approximately \$25.5 M in cash and cash equivalents on 1/31/10. ASTM received approximately \$12.4 M in net proceeds, after underwriting discounts and commissions and other offering expenses, from the sale of 52,077,100 units (including 5,923,100 units sold to the underwriter pursuant to the exercise of its over-allotment option) consisting of an aggregate of 52,077,100 shares of ASTM

Financial Statement

Aastrom Biosciences, Inc. (ASTM) in thousands (except per-share data)	2007A	2008A	2009A	2010Q1A	2010Q2A
Revenues					
Product sales and rentals	94.0	208.0	182.0	27.0	28.0
<i>% growth</i>		121.3%	-12.5%		3.7%
Research and development agreements	0.0	0.0	0.0	0.0	0.0
<i>% growth</i>					
Grants	591.0	314.0	0.0	0.0	0.0
<i>% growth</i>		-46.9%	-100.0%		
Total Revenues	685.0	522.0	182.0	27.0	28.0
<i>% growth</i>		-23.8%	-65.1%		3.7%
Costs and expenses					
Cost of product sales and rentals	29.0	56.0	112.0	4.0	18.0
<i>% of product sales and rentals revenue</i>	30.9%	26.9%	61.5%	14.8%	64.3%
Cost of product sales and rentals- provision for excess inventories	0.0	0.0	0.0	0.0	0.0
<i>% of product sales and rentals revenue</i>	0.0%	0.0%	0.0%	0.0%	0.0%
Research and development	11,443.0	15,249.0	11,289.0	2,726.0	2,829.0
<i>% of total revenues</i>	1670.5%	2921.3%	6202.7%	10096.3%	10103.6%
Selling, general, and administrative	8,682.0	6,436.0	4,950.0	1,316.0	1,333.0
<i>% of total revenues</i>	1267.4%	1233.0%	2719.8%	4874.1%	4760.7%
Total Costs and Expenses	20,154.0	21,741.0	16,351.0	4,046.0	4,180.0
<i>% of total revenues</i>	2942.2%	4164.9%	8984.1%	14985.2%	14928.6%
Loss from Operations	(19,469.0)	(21,219.0)	(16,169.0)	(4,019.0)	(4,152.0)
Other Income (Expense)					
Other income	0.0	0.0	0.0	0.0	0.0
Interest income	1,875.0	1,170.0	296.0	127.0	69.0
Interest expense	0.0	(84.0)	(73.0)	(21.0)	(20.0)
Total Other Income	1,875.0	1,086.0	223.0	106.0	49.0
Net Loss	(17,594.0)	(20,133.0)	(15,946.0)	(3,913.0)	(4,103.0)
Net Loss per Share	(0.15)	(0.16)	(0.11)	(0.03)	(0.03)
Shares Outstanding					
Basic and Diluted	119,523	129,120	143,016	132,796	134,575

Quarterly Press Releases

Aastrom Announces Treatment of Final Patient in RESTORE-CLI Clinical Trial

3/24/10

Company Plans to Initiate Phase 3 Planning Discussions with the FDA and Report Six-Month Interim Results for all Enrolled Patients Later This Year

Aastrom Ticker Symbol Reverts to ASTM

3/18/10

Ticker symbol will revert back to ASTM as of March 18, 2010.

Aastrom Announces Treatment of Final Patient in IMPACT-DCM Surgical Clinical Trial

3/9/10

Six-Month Interim Results in Study of Patients with Severe Cardiovascular Disease to be Presented Later This Year

Aastrom Regains Compliance with NASDAQ Minimum Bid Requirement

3/4/10

Regained compliance with the \$1.00 minimum bid price requirement for continued listing under NASDAQ Listing Rule 5550(a) (2).

Aastrom Reports Interim Results from Critical Limb Ischemia Trial

2/24/10

These encouraging data have demonstrated an excellent safety profile and indicate that Aastrom's autologous cellular therapy could be an important addition to what is now a limited range of treatment options for patients with CLI.

Aastrom Reports Second Quarter Fiscal Year 2010 Financial Results

2/10/10

Company Advances Clinical Development Programs for Investigational Therapies to Treat Severe Cardiovascular Diseases

Aastrom Announces One-for-Eight Reverse Stock Split

2/9/10

Board of directors has approved a one-for-eight reverse stock split of the company's common stock effective on February 18, 2010. The company has filed an amendment to its articles of incorporation to affect the reverse stock split, which was authorized by shareholders at Aastrom's annual meeting in December 2009. Following the reverse stock split, the company expects to have approximately 28.3 million shares of common stock outstanding.

Aastrom Biosciences Announces Closing of Unit Offering

1/21/10

Closed its previously announced underwritten public offering from which the Company received approximately \$12.4 million in net proceeds from the sale of the units (including the partially exercised option of the over-allotment), after underwriting discounts and commissions and other offering expenses.

Aastrom Biosciences Announces Proposed Public Offering of Units

1/14/10

ASTM's announced that it intends to offer to sell, subject to market and other conditions, units consisting of shares of its common stock, Class A warrants and Class B warrants, in an underwritten public offering through Oppenheimer & Co acting as the sole underwriter.

Aastrom Biosciences Shareholders Approve All 2009 Proxy Proposals

12/21/09

Shareholders of the Company approved all five proxy proposals at the Annual Meeting of Shareholders held December 14, 2009.

Interim Results from Aastrom's IMPACT-DCM Cardiac Trial Presented at the American Heart Association Meeting

11/16/09

National PI Presents Encouraging Progress in U.S. Cardiac Clinical Trial

Aastrom to Initiate Second Phase II Clinical Trial for Treatment of Severe Chronic Heart Failure

11/10/09

Catheter-Based Delivery of CRCs by Cardiologists to Expand Company's Ongoing Cardiovascular Program

Aastrom Biosciences Reports First Quarter Fiscal Year 2010 Financial Results

11/6/09

Focus on Cardiovascular Regeneration Sets Foundation for Continued Clinical Progress. First Fiscal Quarter Ended September 30, 2009 Results.

Please Read these Important Disclosures!

Reg. AC, Analyst Certification

I, Henry W. McCusker, hereby certify that all the views expressed in this review accurately reflect my personal views about ASTM or companies and its or their securities. No part of my compensation was, is, or will be, directly or indirectly, related to the specific recommendations or views contained in this review. <http://www.scimitarequity.com/disclosure/index.jsp>

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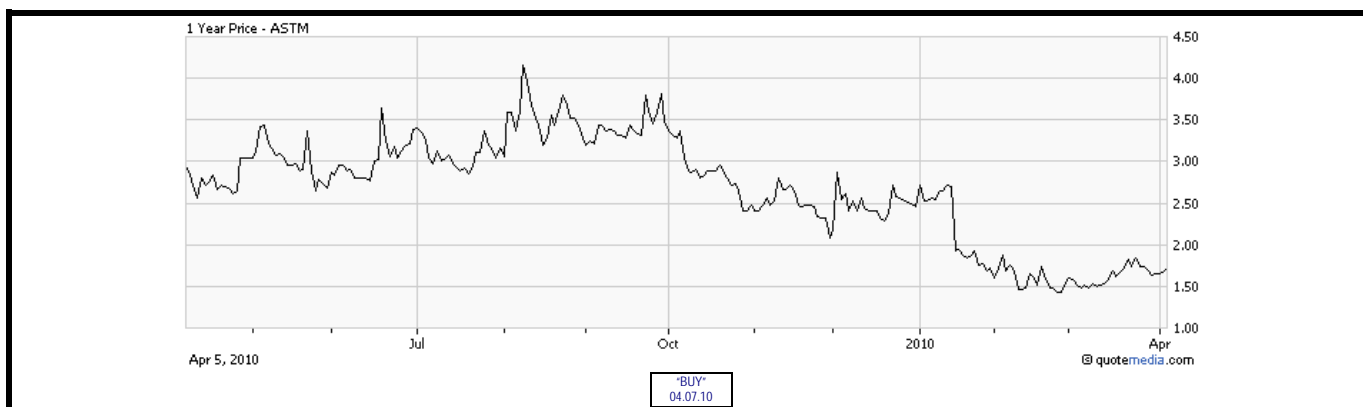
<http://www.scimitarequity.com/content/disclosure/company-specific-disclosure.jsp>
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http://www.scimitarequity.com/disclosure/company_specific_disclosure.jsp
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Transparency of Analysts Performance and Compensation for Products and Services

To maximize transparency in analyst certification, we are required to disclose any potential conflicts of interest thus insuring independence. We do not accept payment of any fees in company stock or any form of security. Scimitar Equity, LLC (Scimitar) makes publicly available an excel format statement of yearly payments by covered companies. Scimitar "clearly and prominently" articulates a statement of financial sponsorship for this Q2/10 research review. http://www.scimitarequity.com/disclosure/company_specific_disclosure.jsp

Valuation, Estimates, and Models Methodology Versus Stock Ranking

In these current volatile market/economic times; Scimitar has stepped back from making specific price targets. Valuation should be understood in terms of an objective quantitative model and a comprehensive qualitative explanation that enlightens investors to expectation and potential. Models reflect current judgment only; they are neither all-inclusive nor can they be guaranteed. Analysis and models are subject to change based on share pricing, share/capitalization increases or decreases, regulatory status and certainly market conditions. <http://www.scimitarequity.com/content/disclosure/valuation-methodology.jsp>



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<http://www.scimitarequity.com/disclosure/privacy.jsp>
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info@scimitarequity.com