

**Sector:** Health Care  
**Sub-Industry:** Biotechnology  
**Peer Group:** Biotech Therapeutics - Microcaps

**Summary:** This company develops autologous cell products for the repair or regeneration of multiple human tissues, based on its proprietary Tissue Repair Cell technology.

**Quantitative Evaluations**

**S&P Quality Ranking : C**



**S&P Fair Value Rank: NR**

**Fair Value Calc: NA**

**S&P Investability Quotient Percentile**



ASTM scored lower than 63% of all companies for which an S&P Report is available.

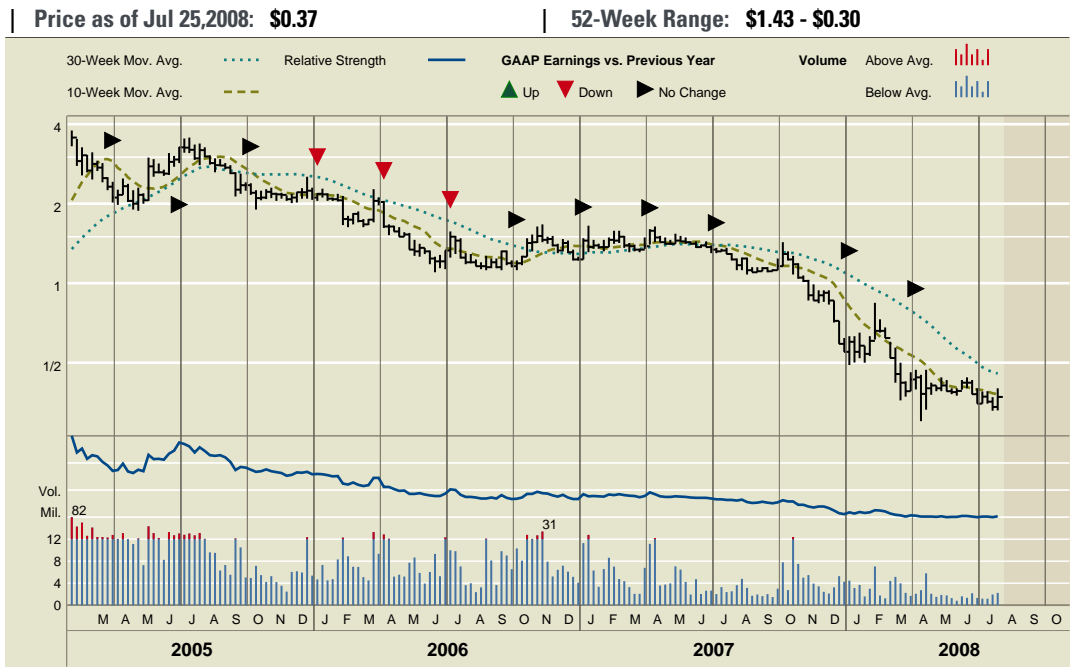
**Volatility: High**



**Technical Evaluation: BEARISH**

Since June, 2008, the technical indicators for ASTM have been BEARISH.

**Relative Strength Rank: Moderate**



**Investment Strategy**

Key financial variables to consider in assessing the investment merits of an industrial company are the following:

**Sales:** What is the trend? Is future sales growth expected to be greater than the past 5-year and 9-year growth average? Accelerating sales growth ultimately provides the fuel behind earnings growth.

**Net Margin:** As a key measure of company profitability, a rising net margin assesses management capability to wring out more net income from incremental sales.

**% LT Debt to Capitalization:** A rising percentage implies greater financial risk, all else being equal. Rising debt leverage without a concomitant rise in Return on Equity should raise warning signals of potential cash flow problems. Percentages above 40%-50% should also be considered a warning.

**% Return on Equity:** A key performance measurement of capital efficiency assesses what investment returns management can earn on a company's existing capital base. A sustained percentage above 20% is considered above average.

**Key Growth Rates and Averages**

Past Growth Rate (%)	1 Year	3 Year	5 Year	9 Year
Sales	-20.05	-17.77	-4.17	5.56
Net Income	NM	NM	NM	NM

**Ratio Analysis (Average)**

Net Margin	NM	NM	NM	NM
%LT Debt to Capitalization	3.75	1.25	0.75	0.42
% Return on Equity	NM	NM	NM	NM

**Revenues/Earnings Data** Fiscal year ending Jun. 30

Revenues (Million \$)	2008	2007	2006	2005	2004	2003
1Q	--	0.10	0.18	0.19	0.30	0.09
2Q	0.08	0.16	0.12	0.37	0.38	0.30
3Q	0.20	0.26	0.24	0.25	0.42	0.28
4Q	--	0.17	0.33	0.10	0.21	0.18
Year	--	0.69	0.86	0.91	1.30	0.84
Earnings per Share (\$)	2008	2007	2006	2005	2004	2003
1Q	--	-0.03	-0.03	-0.03	-0.04	-0.05
2Q	-0.04	-0.04	-0.04	-0.03	-0.03	-0.05
3Q	-0.04	-0.04	-0.04	-0.03	-0.03	-0.04
4Q	--	-0.04	-0.04	-0.03	-0.03	-0.05
Year	--	-0.15	-0.15	-0.13	-0.14	-0.19

**Next earnings report expected: NA**

Historical GAAP earnings are as reported.

**Key Stock Statistics**

Average Daily Volume	<b>0.349 mil.</b>	Beta	<b>-0.02</b>
Market Capitalization	<b>\$0.049 Bil.</b>	Trailing 12 Month EPS	<b>-\$-0.16</b>
Institutional Holdings (%)	<b>5</b>	12 Month P/E	<b>NM</b>
Shareholders of Record	<b>576</b>	Current Yield (%)	<b>Nil</b>

Value of \$10,000 Invested five yrs Ago : **\$4,171**

**Please read the required disclosures and Reg. AC certification on the last page of this report.**

This report was prepared by Standard & Poor's Quantitative Services.

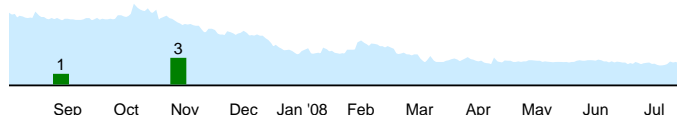
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## Wall Street Opinions/Average (Mean) Opinion: Hold

	No. of Ratings	% of Total	1 Mo. Prior	3 Mo. Prior
Buy	0	0	1	1
Buy/Hold	1	50	1	2
Hold	1	50	1	0
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	0	0	0	0
<b>Total</b>	<b>2</b>	<b>100</b>	<b>3</b>	<b>3</b>

## Insider Moves

■ Insider Buys
 ■ Insider Sells
 ■ Price History



## Dividend Data

No Dividend Data Available

## Company Financials Fiscal year ending Jun. 30

Per Share Data & Valuation Ratios (\$)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Tangible Book Value	0.23	0.35	0.32	0.22	0.18	0.25	0.29	0.37	0.08	NM
Cash Flow	-0.14	-0.15	-0.12	-0.14	-0.19	-0.19	-0.17	-0.39	-0.63	-1.22
Earnings	-0.15	-0.15	-0.13	-0.14	-0.19	-0.19	-0.17	-0.41	-0.75	-1.57
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Prices:High	1.65	2.28	4.36	1.76	1.83	1.10	2.60	9.06	3.63	6.75
Prices:Low	0.49	1.10	1.36	0.63	0.25	0.22	0.75	0.72	0.31	1.81
P/E Ratio:High	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
P/E Ratio:Low	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM

## Income Statement Analysis (Million \$)

Revenue	0.69	0.86	0.91	1.30	0.84	0.88	0.90	1.15	0.88	0.25
Operating Income	-18.7	-17.4	-12.3	-10.5	-9.59	-8.16	-6.41	-9.41	-12.5	-17.6
Depreciation	0.50	0.33	0.17	0.13	0.12	0.13	0.17	0.35	0.30	0.56
Interest Expense	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	0.00	0.01
Pretax Income	-17.6	-16.5	-11.8	-10.5	-9.58	-7.94	-5.93	-9.39	-11.0	-17.2
Effective Tax Rate	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
Net Income	-17.6	-16.5	-11.8	-10.5	-9.58	-7.94	-5.93	-9.39	-11.0	-17.2

## Balance Sheet & Other Financial Data (Million \$)

Cash	28.3	9.03	14.4	16.9	10.5	8.60	10.7	2.06	7.53	2.08
Current Assets	30.2	43.7	33.1	17.8	11.9	11.3	11.7	13.1	9.04	11.6
Total Assets	32.9	44.9	33.9	18.2	12.2	11.6	11.9	13.4	9.54	12.4
Current Liabilities	3.50	2.54	0.87	0.56	0.58	0.75	1.01	1.00	1.03	1.53
Long Term Debt	1.10	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Common Equity	28.3	42.3	33.0	17.6	11.6	10.8	10.9	12.4	1.92	0.92
Total Capital	29.4	42.3	33.0	17.6	11.6	10.8	10.9	12.4	8.51	10.8
Capital Expenditures	1.06	0.79	0.59	0.16	0.12	0.15	0.06	0.14	0.07	0.23
Cash Flow	-17.1	-16.1	-11.6	-10.4	-9.46	-7.81	-5.76	-9.04	-11.1	-17.0
Current Ratio	8.6	17.2	38.1	32.0	20.4	15.1	11.6	13.1	8.8	7.6
% Long Term Debt of Capitalization	3.7	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
% Net Income of Revenue	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
% Return on Assets	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM
% Return on Equity	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM

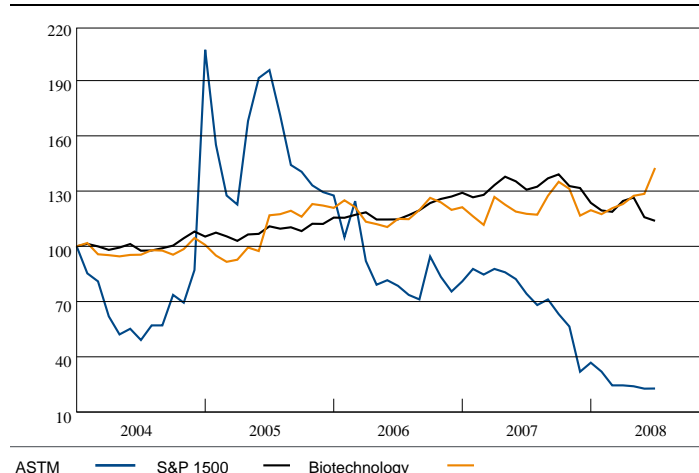
Data as orig. reptd; bef. results of disc opers/spec. items. Per share data adj. for stk. divs. as of ex-div date. NA-Not Available. NM-Not Meaningful. NR-Not Ranked.

Office: 24 Frank Lloyd Wright Drive, Ann Arbor, MI, USA , 48105-9755  
 Tel: 734-930-5555  
 Email: mail@aastrom.com  
 Website: http://www.aastrom.com  
 Chrmn: S. G. Sudovar

Pres, Treas, Chief Acctg Officer, CEO & CFO: G. W. Dunbar, Jr.  
 Dirs: G. W. Dunbar, Jr., T. M. Mayleben, A. L. Rubino, N. M. Sims, S. G. Sudovar, S. L. Wyant, R. L. Zerbe

Secy & Cntrl: J. A. Caudill  
 Investor Contact: Gerald D. Brennan, Jr.(734-930-5777)  
 Founded: 1989  
 Domicile: Michigan  
 Employees: 67

## Stock Performance



	Company(%)	Industry(%)	S&P 1500(%)
YTD Return	-28.6	22.2	-13.5
One Year Return	-71.4	17.2	-16.5
Three Year Return (% Annualized)	-49.0	7.2	1.1
Five Year Return (% Annualized)	-16.0	6.8	5.4
Value of \$10,000 Invested 5 Years Ago	\$4,171	\$13,894	\$12,979

**Sub-Industry Outlook**

Our neutral fundamental outlook for the biotechnology sub-industry reflects our view of few catalysts over the next 12 months. We see a conservative and overwhelmed FDA contributing to a slower industry pipeline. Further, we see long-term trends toward increased legislative pressure for a regulatory pathway for biogeneric drugs and greater scrutiny of biotech drug prices.

We continue to see few products driving company and sector growth, and expect near-term news flow to focus on label expansion studies for existing products rather than new and novel drugs submitted for FDA review. We expect continued adoption of biomarker research and expansion of genetic-targeted clinical studies. We maintain a positive long-term outlook for merger and acquisition activity, particularly in drug partnering. We see both big pharma and large biotech companies seeking new products and technologies to bolster slowing pipelines, and see pharma concerns facing sizable patent expirations in coming years. We expect IPO activity to remain sporadic. In 2007, most leading biotechs initiated large share buybacks, leveraging their robust operational cash flows.

We see small cap biotechs conserving cash to delay raising capital until their pipeline candidates near approval and provide potential for a higher valuation, with less equity dilution. Companies are increasingly outsourcing clinical activities to better manage head count and operating expenses.

Cancer therapeutics remains the primary growth impetus, in our view, and we see the prospects for autoimmune and inflammatory treatments remaining

positive as well. All told, we see the competitive environment for most key diseases as intensifying.

Given our view of continuing volatility for unprofitable small caps, we recommend that investors concentrate their core holdings on established, profitable companies with solid growth prospects on an absolute as well as relative basis. We see these established firms being regarded as a safe haven during challenging market conditions. We believe strong pipelines and prior pipeline successes are key factors, as such companies have resources to seek expanded uses for their marketed products. For smaller concerns, we would seek those with diverse pipelines, with at least one major near-term catalyst, such as a recently approved drug or positive late-stage clinical trial candidate.

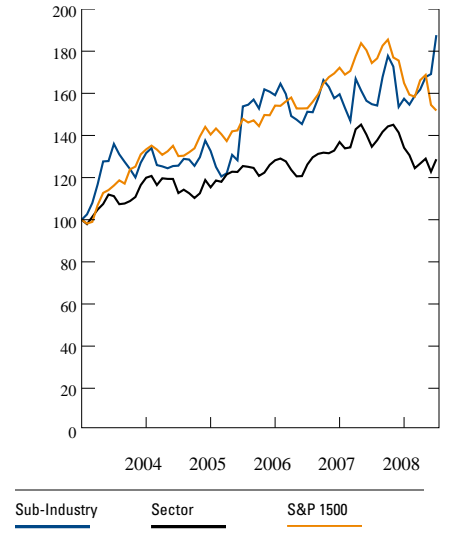
The S&P Biotech Index rose 10.1% year to date through June 30, versus a 12.0% drop for the S&P 1500. In 2007, the sub-industry index fell 2.6%, while the 1500 was up 3.6%.

--Steven Silver

**Stock Performance**

**GICS Sector: Health Care**  
**Sub-Industry: Biotechnology**

Based on S&P 1500 Indexes  
Month-end Price Performance as of 06/30/08



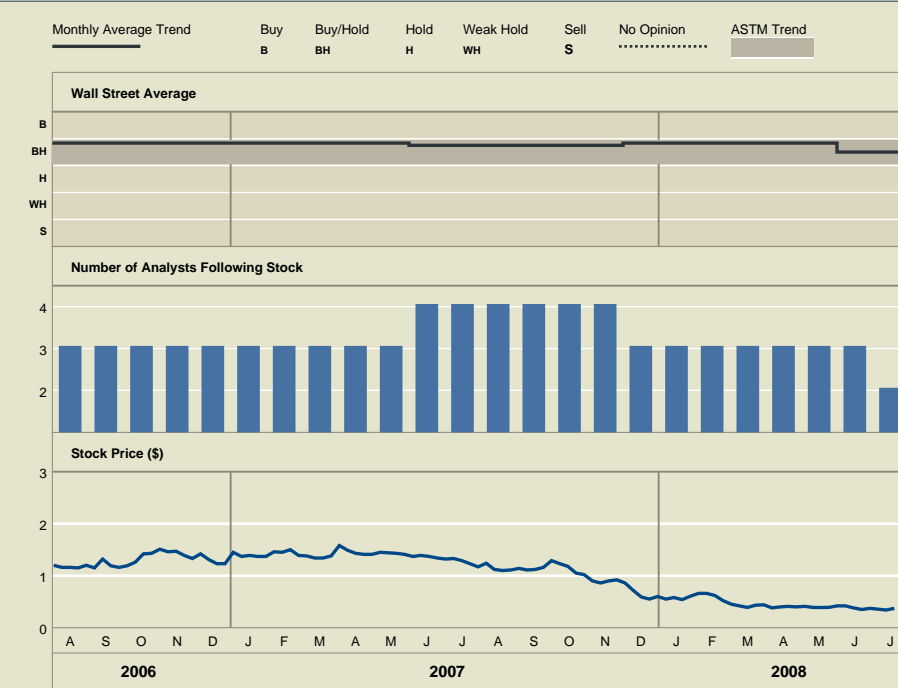
**NOTE:** All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

**Sub-Industry : Biotechnology Peer Group\*: Biotech Therapeutics - Microcaps**

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
<b>Aastrom Biosciences</b>	<b>ASTM</b>	<b>49</b>	<b>0.37</b>	<b>1.43/0.30</b>	<b>-0.02</b>	<b>Nil</b>	<b>NM</b>	<b>NA</b>	<b>C</b>	<b>37</b>	<b>NM</b>	<b>3.7</b>
Cel-Sci Corp	CVM	75	0.64	0.74/0.37	0.87	Nil	NM	NA	C	5	NM	NA
Cell Therapeutics	CTIC	42	0.36	4.05/0.35	1.98	Nil	NM	NA	C	1	NM	NA
CytRx Corp	CYTR	47	0.52	4.70/0.40	0.99	Nil	NM	NA	C	33	NM	NA
DUSA Pharmaceuticals	DUSA	35	1.46	3.30/1.32	0.93	Nil	NM	NA	C	8	NM	NA
EntreMed Inc	ENMD	40	0.47	1.70/0.35	2.03	Nil	NM	NA	C	1	NM	38.4
Hemispherx BioPharma	HEB	63	0.85	2.08/0.53	0.68	Nil	NM	NA	C	NA	NM	NA
OXiGENE Inc	OXGN	41	1.43	3.93/1.11	1.34	Nil	NM	NA	C	10	NM	NA
Oncothyreon Inc	ONTY	51	2.64	6.78/1.47	0.64	Nil	NM	NA	C	3	NM	2.1
Pharmacyclics Inc	PCYC	41	1.58	2.79/0.55	NM	Nil	NM	NA	C	24	NM	NA
Progen Pharmaceuticals	PGLA	37	0.63	3.56/0.39	1.17	Nil	NM	NA	NR	57	NM	NA
SciClone Pharmaceuticals	SCLN	60	1.30	2.60/1.19	1.80	Nil	NM	NA	C	3	NM	NA
Titan Pharmaceuticals	TTP	38	0.66	2.60/0.51	2.18	Nil	NM	NA	C	4	NM	NA
YM BioSciences	YMI	55	0.99	1.76/0.70	1.50	Nil	NM	NA	NR	4	NM	NA
aEterna Zentaris	AEZS	64	1.21	3.29/0.76	1.53	Nil	NM	NA	NR	8	NM	NA

NA-Not Available NM-Not Meaningful NR-Not Rated. \*For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

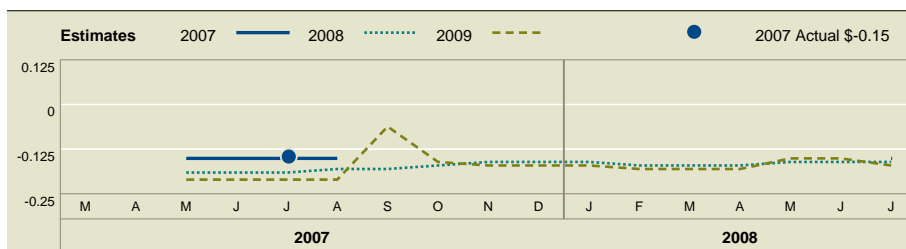
**Analysts' Recommendations**



Of the total 4 companies following ASTM, 2 analysts currently publish recommendations.

	No. of Ratings	% of Total	1 Mo. Prior	3 Mos. Prior
Buy	0	0	1	1
Buy/Hold	1	50	1	2
Hold	1	50	1	0
Weak Hold	0	0	0	0
Sell	0	0	0	0
No Opinion	0	0	0	0
<b>Total</b>	<b>2</b>	<b>100</b>	<b>3</b>	<b>3</b>

**Wall Street Consensus Estimates**



Fiscal Years	Avg Est.	High Est.	Low Est.	# of Est.	Est. P/E
2009	-0.17	-0.16	-0.18	2	NM
2008	-0.16	-0.16	-0.16	2	NM
<b>2009 vs. 2008</b>	<b>▼ -6%</b>	<b>0%</b>	<b>▼ -12%</b>	<b>0%</b>	<b>NM</b>
Q4'09	NA	NA	NA	0	NM
Q4'08	-0.04	-0.04	-0.04	2	NM
<b>Q4'09 vs. Q4'08</b>	<b>NA</b>	<b>NA</b>	<b>NA</b>	<b>▼ -100%</b>	<b>NM</b>

A company's earnings outlook plays a major part in any investment decision. Standard & Poor's organizes the earnings estimates of over 2,300 Wall Street analysts, and provides their consensus of earnings over the next two years. This graph shows the trend in analyst estimates over the past 15 months.

**Wall Street Consensus Opinion**

**BUY/HOLD**

**Companies Offering Coverage**

Dawson James Securities  
JM Dutton & Associates LLC  
Merriman Curhan Ford & Co.  
Susquehanna Financial Group

**Wall Street Consensus vs. Performance**

For fiscal year 2008, analysts estimate that ASTM will earn \$-0.16. For the 3rd quarter of fiscal year 2008, ASTM announced earnings per share of \$-0.04, representing 25% of the total annual estimate. For fiscal year 2009, analysts estimate that ASTM's earnings per share will decline by 6% to \$-0.17.

**Glossary**

**S&P Quality Ranking** - Growth and stability of earnings and dividends are deemed key elements in establishing S&P's quality ranking for common stocks, which are designed to capsule the nature of this record in a single symbol. It should be noted that, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+	Highest	B	Lower
A	High	B-	Below Average
A-	Above Average	C	Lowest
B+	Average	D	In Reorganization
NR	Not Ranked		

**S&P Fair Value Rank** - Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stock with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following: 5-Stock is significantly undervalued; 4-Stock is moderately undervalued; 3-Stock is fairly valued; 2-Stock is modestly overvalued; 1-Stock is significantly overvalued.

**Funds From Operations (FFO)** - FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

**Fair Value Calculation** - The current price at which a stock should sell today as calculated by S&P's computers using our quantitative model based on the company's earnings, growth potential, return on equity relative to the S&P 500 and its industry group, price to book ratio history, current yield relative to the S&P 500, and other factors.

**Investability Quotient (IQ)** - The IQ is a measure of investment desirability. It serves as an indicator of potential medium-to-long-term return and as a caution against downside risk. The measure takes into account variables such as technical indicators, earnings estimates, liquidity, financial ratios and selected S&P proprietary measures.

**Standard & Poor's IQ Rationale:  
Aastrom Biosciences**

	Raw Score	Max Value
Proprietary S&P Measures	0	115
Technical Indicators	11	40
Liquidity/Volatility Measures	7	20
Quantitative Measures	60	75
<b>IQ Total</b>	<b>78</b>	<b>250</b>

**Volatility** - Rates the volatility of the stock's price over the past year.

**Technical Evaluation** - In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

**Relative Strength Rank** - Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

**Global Industry Classification Standard (GICS)** - An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

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