

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) May 12, 2003

Aastrom Biosciences, Inc.

(Exact name of registrant as specified in charter)

Michigan

0-22025

94-3096597

(State or other jurisdiction
of incorporation)

(Commission
File Number)

(IRS Employer
Identification No.)

24 Frank Lloyd Wright Drive, P.O. Box 376, Ann Arbor Michigan

48106

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code (734) 930-5555

Not Applicable

(Former name or former address, if changed since last report)

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Item 7. Financial Statements and Exhibits.

Exhibit No.	Description
99.1	Press Release dated May 12, 2003

Item 9. Regulation FD Disclosure. (Information provided under Item 12 of Form 8-K)

On May 12, 2003 we issued a press release announcing financial results for the quarter ended March 31, 2003. A copy of the press release is attached hereto as Exhibit 99.1.

Pursuant to General Instructions B-2 and B-6 of Form 8-K, this report and the exhibit are not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall this report and the exhibit be incorporated by reference into our filings under the Securities Act of 1933 or the Securities Exchange Act of 1934, except as expressly set forth by specific reference in such future filing. Additionally, pursuant to the guidance provided in SEC Release No. 34-47583, we are including the foregoing Item 12 information under Item 9, because Item 12 of Form 8-K has not yet been added to the EDGAR system.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Aastrom Biosciences, Inc.

Date: May 12, 2003

By: /s/ Alan M. Wright
Senior Vice President,
Administrative and Financial Operations, CFO



EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated May 12, 2003

[AASTROM BIOSCIENCES LETTERHEAD]

FOR IMMEDIATE RELEASE

CONTACTS: Kris M. Maly or Becky Anderson
 Investor Relations Department
 Aastrom Biosciences, Inc.
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AASTROM BIOSCIENCES, INC. REPORTS
 THIRD QUARTER FINANCIAL RESULTS

ANN ARBOR, MICHIGAN, MAY 12, 2003 -- Aastrom Biosciences, Inc. (NasdaqSC: ASTM) announced today financial results and operational progress for the third quarter ended March 31, 2003. The Company also announced that it has launched its new web site at www.aastrom.com.

Quarterly highlights included several significant business milestones. The Company announced in early January 2003 two marketing agreements, in Italy and in Turkey, that will expand the sales and marketing of its Cell Production Products (CPP) product line to those countries. Both relationships provide support for the sales and distribution of the Company's CE-Marked AastromReplicell(TM) System, and associated CE-Marked cell production kits for the ex vivo production of dendritic cells for cell-based cancer vaccines.

In addition, in March 2003 Aastrom announced that it had signed a three-year master supply agreement with Astro Instrumentation, L.L.C., to manufacture the Company's products, component parts, subassemblies and associated spare parts, used in the instrumentation platform of its AastromReplicell(TM) System.

For the quarter, Aastrom reported a net loss of \$2.1 million, or \$.04 per share, compared to a net loss of \$2.1 million, or \$.05 per share in 2002. For the nine months ended March 31, 2003, the Company reported a net loss of \$6.8 million, or \$.14 per share, compared to \$6.0 million, or \$.14 per share for the same period in 2002. Increased marketing efforts in Europe resulted in increased product sales and rental revenue of \$0.1 million for the third quarter of 2003, compared to no sales in 2002. Total revenue, consisting of product sales and rentals in Europe, as well as grants and other revenue, for the quarter ended March 31, 2003 increased to \$0.3 million compared to \$0.2 million for the same period in 2002, while total revenue for the nine months ended March 31, 2003 was \$0.7 million unchanged from the same period in 2002, due to a reduction in grant revenue that offset the increase in product sales and rental revenue. Total costs and expenses for the quarter ended March 31, 2003 were \$2.4 million, unchanged from the same period in 2002, while the total costs and expenses for the nine months ended March 31, 2003 increased to \$7.6 million, compared to \$6.9 million in 2002.

Expenses reflect increases in cost of sales and rentals to \$21 thousand and \$0.1 million for the quarter and nine months ended March 31, 2003, from \$0 for the same periods in 2002. The non-cash provision for obsolete and excess inventory increased to \$0.2 and \$0.4 for the quarter and nine months ended March 31, 2003, from \$40 thousand and \$0.1 for the same periods in 2002. Research and development expenses for the quarter ended March 31, 2003 were \$1.4 million, unchanged from the same period in 2002, while the same expenses increased slightly to \$4.2 million for the nine months ended March 31, 2003, compared to \$4.0 million for the same period in 2002. Selling, general and administrative expenses remain unchanged at \$0.9 million for the quarter ended March 31, 2003 compared to the same period in 2002, while the same expenses increased to \$2.9 million for the nine months ended March 31, 2003, from \$2.7 million for the same periods in 2002. Increases in selling, general and administrative expenses resulted from the expansion of marketing activities to further commercialization efforts in Europe and additional capital raising expenses.

- more -

"Our third quarter was a strong one, based on business developments that improved our operational position, and on the progress of our CPP business in Europe and the United States," said R. Douglas Armstrong, Ph.D., President and Chief Executive Officer of Aastrom. "In addition, we began the fourth quarter with a significant development in the clinical area, with the publication in the April 2003 issue of the Journal of Bone and Mineral Research of clinical results demonstrating that our Tissue Repair Cells (TRCs) have the capability to successfully generate bone growth. With this demonstrated capability, these cells will now be evaluated as a new, less invasive and less morbid therapeutic approach for bone grafting in indications such as spinal fusions and the repair of major fractures in limbs. This is a market opportunity with over one million patients annually."

Aastrom raised capital totaling \$0.5 million and \$2.6 million, respectively, for the three and nine month periods ended March 31, 2003, through periodic sales of the Company's stock from previously registered shelf offerings.

"We believe our continued success in securing this funding is an indication that refocusing our efforts on the bone grafting and dendritic cell vaccine markets was a sound strategic decision," said Alan M. Wright, Senior Vice President Administrative and Financial Operations and Chief Financial Officer of Aastrom. "While cash and previous financings are expected to fund currently planned activities through the first quarter of fiscal year 2004, we will need to raise additional funds in order to complete our product development programs and commercialize our new product candidates. We are seeking additional financing opportunities that we believe will enable us to maintain our current, positive forward movement, both operationally and clinically."

In an effort to communicate more efficiently with its shareholders and the general public, Aastrom today unveiled its new, completely revised web site, that offers an up-to-date vision of the Company, its refocused business model, and achievements. The revised web site can be accessed 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(TM) 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 the Cell Production Products (CPP) business. These two businesses will enable Aastrom to generate multiple paths to revenue. The principal focus of the PCP business is the repair or regeneration of tissue intended for large markets such as bone grafting and severe osteoporosis. The CPP business markets the AastromReplicell(TM) System to researchers and companies for their production of cells for clinical trials. The initial commercial phase of the CPP business is underway in Europe and the U.S. for the dendritic cell production products. For more information, visit Aastrom's website at www.aastrom.com.

This document contains forward-looking statements, including without limitation, statements concerning intended product development and commercialization objectives, potential product applications, financing plans, and potential advantages of the AastromReplicell(TM) System, which involve certain risks and uncertainties. The forward-looking statements are also identified through use of the words "planned," "can," "expected," "believe," "intended," "seeking," 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 the results obtained from clinical trial and development activities, the results of sales activities, market conditions (including our ability to maintain our listing on Nasdaq), 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.

- Financial Table Follows -

AASTROM BIOSCIENCES, INC.
(Unaudited)

CONSOLIDATED STATEMENT OF OPERATIONS DATA:

	Quarter ended March 31,		Nine months ended March 31,	
	2002	2003	2002	2003
REVENUES				
Product sales and rentals	\$ --	\$ 130,000	\$ 80,000	\$ 298,000
Grants and other	232,000	150,000	570,000	371,000
Total revenues	232,000	280,000	650,000	669,000
COSTS AND EXPENSES				
Cost of product sales and rentals	--	21,000	--	132,000
Cost of product sales and rentals - provision for obsolete and excess inventory	40,000	186,000	146,000	445,000
Research and development	1,439,000	1,351,000	4,042,000	4,168,000
Selling, general and administrative	886,000	854,000	2,736,000	2,869,000
Total costs and expenses	2,365,000	2,412,000	6,924,000	7,614,000
OTHER INCOME	61,000	30,000	289,000	104,000
NET LOSS	\$ (2,072,000)	\$ (2,102,000)	\$ (5,985,000)	\$ (6,841,000)
NET LOSS PER SHARE (Basic and Diluted)	\$ (.05)	\$ (.04)	\$ (.14)	\$ (.14)
Weighted average number of shares outstanding	42,506,000	51,656,000	41,588,000	48,340,000

CONSOLIDATED BALANCE SHEET DATA:

	June 30, 2002	March 31, 2003
ASSETS		
Cash and investments	\$ 9,605,000	\$ 5,064,000
Other current assets	1,742,000	1,906,000
Property, net	206,000	322,000
Total assets	\$11,553,000	\$ 7,292,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	\$ 750,000	\$ 558,000
Shareholders' equity	10,803,000	6,734,000
Total liabilities and shareholders' equity	\$11,553,000	\$ 7,292,000

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