

**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): **June 27, 2012**

Aastrom Biosciences, Inc.

(Exact name of registrant as specified in its charter)

Michigan
(State or other jurisdiction
of incorporation)

000-22025
(Commission
File Number)

94-3096597
(I.R.S. Employer
Identification No.)

**24 Frank Lloyd Wright Drive, P.O. Box
376, Ann Arbor, Michigan**
(Address of principal executive offices)

48106
(Zip Code)

Registrant's telephone number, including area code: **(734) 418-4400**

Not Applicable

Former name or former address, if changed since last report

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 3.02. Unregistered Sales of Equity Securities.

The response to this item is included in Item 8.01, Other Events, and is incorporated herein in its entirety.

Item 3.03. Material Modification to Rights of Security Holders.

The response to this item is included in Item 8.01, Other Events, and is incorporated herein in its entirety.

Item 8.01. Other Events.

On June 27, 2012, Aastrom Biosciences, Inc., a Michigan corporation (the "Company"), issued a press release announcing its intent to offer to exchange any and all outstanding warrants of the Company to purchase the Company's common stock, no par value, (the "Common Stock"), issued in connection with the Company's December 2010 public offering, with an exercise price of \$3.22 and an expiration date of December 15, 2015 (the "Warrants"), for shares of Common Stock, at a rate of one (1) share of Common Stock for every two (2) Warrants that are tendered (the "Offer"). The Company will file an offer to exchange relating to the exchange offer.

The issuance of shares of Common Stock in the warrant exchanges pursuant to the Offer will be made pursuant to the exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), provided by Section 3(a)(9) of the Securities Act. No proceeds have been or will be received and no commissions have been or will be paid by the Company in connection with the Offer. On June 27, 2012, requisite holders of the Warrants consented to an amendment and modification of the Warrants to provide that the issuance of shares of Common Stock in exchange for the Warrants pursuant to the Offer would not trigger any adjustment to the exercise price of the Warrants.

The press release is attached hereto as Exhibit 99.1 hereto and incorporated herein by reference.

Important Information

This report and the description contained herein are for informational purposes only and are not an offer to purchase or a solicitation of an offer to sell securities of the Company. The exchange offer described herein has not yet been commenced. If and when the exchange offer is commenced, the Company intends to file a tender offer statement on a Schedule TO containing an offer to exchange, a letter of transmittal and other related documents with the Securities and Exchange Commission (the "SEC"). Such documents will be mailed to Warrant holders of record and will also be made available for distribution to beneficial owners of Warrants. The solicitation of offers to exchange Warrants for shares of Common Stock will only be made pursuant to the offer to exchange, the letter of transmittal and related documents. Warrant holders are advised to read the offer to exchange, the letter of transmittal and all related documents, if and when such documents are filed and become available, as they will contain important information about the exchange offer and proposed Warrant exchange. Security holders can obtain these documents when they are filed and become available free of charge from the SEC's website at www.sec.gov. In addition, copies of these documents and other filings containing information about the Company may be obtained, if and when available, without charge, by directing a request to Aastrom Biosciences, Inc., 24 Frank Lloyd Wright Drive, P.O. Box 376, Ann Arbor, Michigan 48106, attention: Investor Relations or by telephone request to (734) 418-4400. These filings may also be obtained through our website located at <http://www.aastrom.com>.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release, dated June 27, 2012.

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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: June 27, 2012

By: /s/ Tim M. Mayleben
Name: Tim M. Mayleben
Title: Chief Executive Officer and President

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Index to Exhibits

Exhibit Number	Description
99.1	Press Release, dated June 27, 2012.

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Aastrom Announces Common Stock Exchange for December 2010 Warrants

ANN ARBOR, Mich., [June 27, 2012] — Aastrom Biosciences, Inc. (Nasdaq: ASTM), the leading developer of patient-specific, expanded multicellular therapies for the treatment of severe, chronic cardiovascular diseases, announced today that it plans to exchange for common stock up to 10,000,000 of its outstanding warrants issued in December 2010. The warrants have an exercise price of \$3.22 and an expiration date of December 15, 2015. Aastrom is exchanging one (1) share of common stock for every two (2) December 2010 warrants surrendered by the warrant holders. The purpose of the exchange is to improve the company's capital structure by reducing the number of outstanding warrants which have complex and dilutive features, and by reducing the number of fully diluted Aastrom shares by over five percent if all of the 10,000,000 December 2010 warrants are exchanged.

As part of this effort, earlier today Aastrom completed privately negotiated warrant exchange agreements on the terms outlined above with holders of 7,666,666 of the December 2010 warrants. Accordingly, today Aastrom issued 3,833,334 shares of common stock.

Later this week, the company will launch an offering to exchange the remaining 2,333,334 December 2010 warrants for common stock on the same terms described above. The offer to exchange will be filed with the SEC along with the related letter of transmittal and other related documents that Aastrom is also sending directly to the warrant holders. If all of the remaining 2,333,334 December 2010 warrants are tendered, an additional 1,166,667 common shares will be issued for a total of approximately 5,000,000 shares of common stock issued in exchange for all of the December 2010 warrants.

This press release and the description contained here are for informational purposes only and do not constitute an offer or a solicitation of an offer to tender any securities of Aastrom. The solicitation of offers to tender warrants in exchange for shares will be made pursuant to an offer to exchange filed with the SEC (as may be

amended or supplemented), a related letter of transmittal and other related documents that Aastrom will be sending to the December 2010 warrant holders. The exchange offer materials will contain important information that should be read carefully before any decision is made with respect to the exchange offer. Those materials will be distributed by Aastrom to the warrant holders at no expense to them. In addition, all of those materials (and all other offer documents) will be available at no charge on the SEC's website at www.sec.gov or by emailing the company at ir@aastrom.com. Further details of the private exchanges will be described in a Current Report on Form 8-K filed with the SEC by the company on June 27, 2012.

About Aastrom Biosciences

Aastrom Biosciences is the leader in developing patient-specific, expanded multicellular therapies for use in the treatment of patients with severe, chronic cardiovascular diseases. The company's proprietary cell-processing technology enables the manufacture of ixmyelocel-T, a patient-specific multicellular therapy expanded from a patient's own bone marrow and delivered directly to damaged tissues. Aastrom has advanced ixmyelocel-T into late-stage clinical development, including a Phase 3 clinical program to study patients with critical limb ischemia and a planned Phase 2b clinical trial in patients with ischemic dilated cardiomyopathy. For more information, please visit Aastrom's website at www.aastrom.com. For more information on the pivotal REVIVE Phase 3 clinical trial, please visit the trial website at www.revivecli.com.

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This document contains forward-looking statements, including, without limitation, the proposed tender offer, including the anticipated exchange ratio, and the capital structure of the company. The public exchange tender offer has not been commenced and there can be no assurances that it will be, or on what terms. Other forward-looking statements are often, but are not always, made through the use of words or phrases such as "anticipates," "intends," "estimates," "plans," "expects," "we believe," "we intend," and similar words or phrases, or future or conditional verbs such as "will," "would," "should," "potential," "could," "may," or similar expressions. Actual results

may differ significantly from the expectations contained in the forward-looking statements. Among the factors that may result in differences are the inherent uncertainties associated with clinical trial and product development activities, regulatory approval requirements, competitive developments, and 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, Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission. These forward-looking statements reflect management's current views and Aastrom does not undertake to update any of these forward-looking statements to reflect a change in its views or events or circumstances that occur after the date of this release except as required by law

