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 5, 2008

Aastrom Biosciences, Inc.

(Exact name of registrant as specified in its charter)

Michigan	000-22025	94-3096597
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. 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

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))

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Item 8.01 Other Events.

On May 5, 2008, Aastrom Biosciences, Inc. ("Aastrom") issued a press release announcing the withdrawal of its proposal for shareholders to approve the grant of discretionary authority to Aastrom's Board of Directors to amend Aastrom's Restated Articles of Incorporation to effect a reverse stock split. A copy of Aastrom's press release is attached hereto as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

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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.

May 5, 2008

By: /s/George W. Dunbar, Jr.

Name: George W. Dunbar, Jr.
Title: Chief Executive Officer and President

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Exhibit Index

Exhibit No.	Description
99.1	Press Release dated May 5, 2008

FOR IMMEDIATE RELEASE

CONTACTS: Kris M. Maly
Investor Relations Department
Aastrom Biosciences, Inc.
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Cameron Associates
Kevin McGrath
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AASTROM BIOSCIENCES BOARD OF DIRECTORS WITHDRAWS REVERSE STOCK SPLIT PROPOSAL

Ann Arbor, Michigan, May 5, 2008 — Aastrom Biosciences, Inc. (Nasdaq:ASTM), a leading regenerative medicine company, today announced that its Board of Directors will withdraw its proposal to shareholders for approval of the grant of discretionary authority to Aastrom's Board of Directors to amend the Company's Restated Articles of Incorporation to effect a reverse stock split. A Special Meeting of Shareholders had been convened on April 8, 2008, and adjourned until May 6, 2008 to allow more time for shareholders to cast their votes on the proposal. More than seventy-five percent (75%) of the shares that were actually voted, were cast in favor of the reverse stock split proposal. However, approval of two-thirds (or 66-2/3%) of all outstanding shares was required by Aastrom's charter for this proposal. Due to the high number of outstanding shares that were not voted at all, the two-thirds requirement was not obtained.

"The Company remains focused on accelerating its clinical programs that address significant unmet medical needs in the vascular, bone and cardiac regeneration therapeutic areas. Aastrom's management and Board of Directors will continue to evaluate options to preserve our current Nasdaq Capital Market listing and to fund our promising clinical programs," stated George Dunbar, President and Chief Executive Officer of Aastrom.

About Aastrom Biosciences, Inc.

Aastrom is a leading regenerative medicine company engaged in the development of autologous cell products for the repair or regeneration of human tissue. The Company's proprietary Tissue Repair Cell (TRC) technology involves the use of a patient's own cells to manufacture products to treat a range of chronic diseases and serious injuries affecting vascular, bone, cardiac and neural tissues. Aastrom's TRC-based products contain increased numbers of stem and early progenitor cells, produced from a small amount of bone marrow collected from the patient. The TRC technology platform has positioned Aastrom to advance multiple products into clinical development. Currently, the Company has a vascular regeneration product in clinical development for the treatment of critical limb ischemia (called the RESTORE-CLI trial), a bone regeneration product in Phase III development for the treatment of osteonecrosis of the femoral head (called the ON-CORE trial), a cardiac regeneration product in clinical development for dilated cardiomyopathy and a preclinical research program targeting unmet needs in neural health. Aastrom product candidates to treat osteonecrosis of the femoral head and dilated cardiomyopathy have been designated for orphan drug status by the FDA. For more information, visit Aastrom's website at www.aastrom.com. (astmc)

This document contains forward-looking statements, including without limitation, statements concerning clinical trial plans and expectations, clinical activity timing, intended product development and commercialization objectives, adequacy of existing capital to support operations for a specified time, future capital needs, and potential advantages and application of Tissue Repair Cell (TRC) Technology, all of which involve certain risks and uncertainties. These statements are often, but are not always, made through the use of words or phrases such as "anticipates," "estimates," "plans," "expects," "we believe," "we intend," and similar words or phrases, or future or conditional verbs such as "will," "would," "should," "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 and other filings with the Securities and Exchange Commission.

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