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): **August 13, 2015**

Vericel Corporation
(Exact name of registrant as specified in its charter)

Michigan	**001-35280**	**94-3096597**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

64 Sidney St. **Cambridge, Massachusetts**	**02139**
(Address of principal executive offices)	(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:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure.

On August 12, 2015, Vericel Corporation (the "Company") issued a press release announcing its financial results for the quarter ended June 30, 2015 and held a live audio conference call to discuss such results. Copies of the press release and the conference call script are being furnished as Exhibits 99.1 and 99.2 hereto.

The information in this Report on Form 8-K and Exhibits 99.1 and 99.2 attached hereto is intended to be furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press release dated August 12, 2015.
99.2	Conference Call Script dated August 12, 2015.

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.

Vericel Corporation

Date: August 14, 2015

By: /s/ Gerard Michel
Name: Gerard Michel
Title: Chief Financial Officer and Vice President, Corporate Development

Exhibit Index

Exhibit No.	Description
99.1	Press release dated August 12, 2015.
99.2	Conference Call Script dated August 12, 2015.

Vericel Corporation
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Vericel Reports Second-Quarter 2015 Financial Results

Total Revenues of $13.6 Million Reported for the Second Quarter

Carticel and Epicel Revenues Increase 31% Compared to Second Quarter 2014

Conference Call Today at 8:00am Eastern Time

CAMBRIDGE, Mass., August 12, 2015 (GLOBE NEWSWIRE) — Vericel Corporation (NASDAQ: VCEL), a leading developer of patient-specific expanded cellular therapies for the treatment of severe diseases and conditions, today reported financial results for the quarter ended June 30, 2015. Total revenues for the second quarter were generated primarily from net sales of Carticel® (autologous cultured chondrocytes) implants and surgical kits and Epicel® (cultured epidermal autografts), which were acquired on May 30, 2014 as part of the acquisition of Sanofi's cell therapy and regenerative medicine business.

Total revenues for the quarter ended June 30, 2015 were $13.6 million and included $9.1 million in net sales of Carticel implants and surgical kits and $4.3 million in net sales of Epicel. Total Carticel and Epicel net product revenues in the second quarter increased approximately 31% over pro-forma second-quarter net product revenues in 2014. For the first half of 2015, total Carticel and Epicel net product revenues increased approximately 17% over pro-forma net product revenues for the same period in 2014.

Gross profit for the quarter ended June 30, 2015 was $6.7 million, or 49% of total revenues, including sales by the company's Marrow Donation LLC subsidiary. Gross profit for the core therapeutics business for the quarter was 50% of net product revenues. Gross Profit for the quarter was reduced by 2.5% due to an inventory adjustment resulting from the implementation of an enterprise resource planning system.

Research and development expenses for the quarter ended June 30, 2015 were $3.4 million versus $4.4 million for the same period a year ago. The decrease in second-quarter research and development expenses is primarily due to a reduction in expenses associated with the ongoing ixCELL-DCM clinical trial, offset by the addition of personnel and other expenses associated with Epicel, Carticel and MACI™ (matrix-applied characterized autologous cultured chondrocytes).

Selling, general and administrative expenses for the quarter ended June 30, 2015 were $5.6 million compared to $3.6 million for the same period a year ago. The increase in SG&A expenses is primarily due to incurring a full quarter of sales and marketing expenses associated with the acquired business in the second quarter of 2015 compared to one month of sales and marketing expenses for the same period in 2014.

Loss from operations for the quarter ended June 30, 2015 was $2.3 million compared to $8.5 million for the same period a year ago. Material non-cash items impacting the operating loss for the quarter included $0.7 million of stock-based compensation expense and $0.3 million in depreciation and amortization expense. Material expenditures not impacting the operating loss for the quarter include $1.2 million in capital expenditures related to the integration and upgrade of new and existing information technology systems.

Other income for the quarter ended June 30, 2015 was $0.1 million compared to $3.9 million for the same period a year ago. The change in other income for the quarter is primarily due to a bargain purchase gain of $3.6 million associated with the acquisition of the acquired business in the quarter ended June 30, 2014.

Vericel reported a net loss for the quarter ended June 30, 2015 of $2.2 million, or $0.16 per share, compared to a net loss of $4.6 million, or $0.94 per share, for the same period in 2014.

As of June 30, 2015, the company had $20.2 million in cash compared to $30.3 million in cash at December 31, 2014.

Recent Business Highlights

During and since the second quarter of 2015, the company:

- Achieved 31% and 17% growth in total Carticel and Epicel net product revenues in the second quarter and first half of 2015, respectively, versus pro-forma net product revenues for the same periods in 2014;
- Achieved gross margins of 50% of total net revenues for the core therapeutics business in the second quarter of 2015, including a 2.5% reduction due to a one-time inventory adjustment;
- Announced plans following discussions with the U.S. Food and Drug Administration (FDA) to submit a Biologics License Application (BLA) to the FDA by the end of 2015 for MACI for the treatment of focal chondral cartilage defects in the knee; and
- Announced plans following discussions with the FDA to submit a Humanitarian Device Exemption (HDE) supplement to the FDA in the fourth quarter of 2015 to revise the labeled indications for use of Epicel to specifically include pediatric patients and to add pediatric labeling for Epicel.

"Vericel had an outstanding second quarter with strong commercial business results and significant advancement of our key regulatory initiatives," said Nick Colangelo, Vericel's president and chief executive officer. "The strong quarterly revenue growth is the result of commercial initiatives that we have

implemented over the past year and demonstrates that both Epicel and Carticel still have significant growth potential. Equally important, as revenues increase, we continue to achieve gross margin improvements which are critical to our overall plan to drive the business to profitability. We also made considerable progress in advancing our key regulatory priorities of bringing MACI to market in the U.S. as rapidly as possible and obtaining a pediatric label change for Epicel, two initiatives that offer significant potential growth opportunities for the company in the years ahead."

Conference Call Information

Today's conference call will be available live at 8:00am Eastern time in the Investors section of the Vericel website at http://investors.vcel.com/events.cfm. Please access the site at least 15 minutes prior to the scheduled start time in order to download the required audio software if necessary. To participate in the live call by telephone, please call (877) 312-5881 and reference Vericel Corporation second-quarter 2015 investor conference call. If calling from outside the U.S., please use the international phone number (253)237-1173.

If you are unable to participate during the live call, the webcast will be available at http://investors.vcel.com/events.cfm until August 12, 2016. A replay of the call will also be available until 11:59 pm (EDT) on Sunday, August 16, 2015 by calling (855)859-2056, or from outside the U.S. (404)537-3406. The conference ID is 83124058.

About Vericel Corporation

Vericel Corporation (formerly Aastrom Biosciences, Inc.) is a leader in developing patient-specific expanded cellular therapies for use in the treatment of patients with severe diseases and conditions. The company markets two autologous cell therapy products in the U.S.: Carticel® (autologous cultured chondrocytes), an autologous chondrocyte implant for the treatment of cartilage defects in the knee, and Epicel® (cultured epidermal autografts), a permanent skin replacement for the treatment of patients with deep-dermal or full-thickness burns comprising greater than or equal to 30% of total body surface area. Vericel is also developing MACI™, a third-generation autologous chondrocyte implant for the treatment of cartilage defects in the knee, and ixmyelocel-T, a patient-specific multicellular therapy for the treatment of advanced heart failure due to ischemic dilated cardiomyopathy. For more information, please visit the company's website at www.vcel.com**.**

The Vericel Corporation logo is available at http://www.globenewswire.com/newsroom/prs/?pkgid=29189.

This document contains forward-looking statements, including, without limitation, statements concerning anticipated progress, objectives and expectations regarding the commercial potential of our products, and revenue trends and gross margin improvements, intended product development, clinical activity timing and regulatory pathway and timing, integration of the acquired business, and objectives and expectations regarding our company described herein, 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," "intends," "estimates," "plans," "expects," "we believe," "we intend," and similar words or phrases, or future or conditional verbs such as "will," "would," "should," "potential," "can continue," "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 competitive developments, integration of the acquired business, clinical trial and product development activities, regulatory approval requirements, the availability and allocation of resources among different potential uses, estimating the commercial potential of our products and product candidates and growth in revenues and improvement in costs, market demand for our products, and our ability to supply or meet customer demand for our products. These and other significant factors are discussed in greater detail in Vericel's Annual Report on Form 10-K for the year ended December 31, 2014, filed with the Securities and Exchange Commission ("SEC") on March 25, 2015, Quarterly Reports on Form 10-Q and other filings with the SEC. These forward-looking statements reflect management's current views and Vericel 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.

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VERICEL CORPORATION
CONDENSED CONSOLIDATED BALANCE SHEETS
(Unaudited, amounts in thousands)

	June 30, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash	$ 20,218	$ 30,343
Accounts receivable (net of allowance for doubtful accounts of $91 and $40, respectively)	8,980	8,191
Inventory	2,078	1,920
Other current assets	2,270	1,036
Total current assets	33,546	41,490

Property and equipment, net	4,616	2,892
Intangible assets	3,057	3,197
Total assets	$ 41,219	$ 47,579
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 6,120	$ 5,824
Accrued expenses	3,258	4,714
Warrant liabilities	1,286	1,081
Other	154	210
Total current liabilities	10,818	11,829
Long term debt	91	109
Other long-term liabilities	66	—
Total liabilities	10,975	11,938
COMMITMENTS AND CONTINGENCIES		
Shareholders' equity:		
Series B-2 voting convertible preferred stock, no par value: shares authorized and reserved — 39, shares issued and outstanding — 12	38,389	38,389
Common stock, no par value; shares authorized — 75,000; shares issued and outstanding — 23,787	306,625	305,008
Other comprehensive loss	(71)	(71)
Accumulated deficit	(314,699)	(307,685)
Total shareholders' equity	30,244	35,641
Total liabilities and shareholders' equity	$ 41,219	$ 47,579

VERICEL CORPORATION
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited, amounts in thousands except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2015	2014	2015	2014
Revenues:				
Product sales	$ 13,590	$ 4,432	$ 24,439	$ 4,432
Total revenues	13,590	4,432	24,439	4,432
Costs and expenses:				
Cost of product sales	6,901	5,009	12,469	5,009
Gross profit	6,689	(577)	11,970	(577)
Research and development	3,369	4,364	7,746	7,635
Selling, general and administrative	5,585	3,581	11,061	4,954
Total operating expenses	8,954	7,945	18,807	12,589
Loss from operations	(2,265)	(8,522)	(6,837)	(13,166)
Other income (expense):				
Decrease (increase) in fair value of warrants	112	248	(205)	(1,104)
Bargain purchase gain	—	3,634	—	3,634
Foreign currency translation gain (loss)	(6)	—	10	—
Interest income	9	4	22	6
Interest expense	(2)	(2)	(4)	(3)
Total other income (expense)	113	3,884	(177)	2,533
Net loss	$ (2,152)	$ (4,638)	$ (7,014)	$ (10,633)
Net loss per share attributable to common shareholders (Basic and Diluted)	$ (0.16)	$ (0.94)	$ (0.43)	$ (2.18)
Weighted average number of common shares outstanding (Basic and Diluted)	23,786	6,518	23,786	6,195

CONFIDENTIAL DRAFT — FOR REVIEW ONLY

Vericel Second-Quarter 2015 Conference Call
August 12, 2015

Operator:

Ladies and gentlemen, thank you for standing by. Welcome to Vericel's second-quarter 2015 conference call. At this time, all participants are in a listen-only mode. I would also like to remind you that this call is being recorded for replay.

I will now turn the conference call over to Vericel's chief financial officer, Gerard Michel.

Gerard Michel:

Thank you, operator and good morning everyone. Welcome to Vericel's second quarter 2015 conference call to discuss our second-quarter 2015 financial results, as well as the progress of our commercial business and development programs. Before we begin, let me remind you that on today's call we will be making forward-looking statements covered under the Private Securities Litigation Reform Act of 1995, and all of our projections and forward-looking statements represent our judgment as of today.

These statements may involve risks and uncertainties that are described more fully in our filings with the SEC, which are also available on our website. In addition, any forward-looking statements represent our views only as of today and should not be relied upon as representing our views as of any subsequent date.

With us on today's call are Nick Colangelo, Vericel's president and chief executive officer, Dan Orlando, Vericel's chief operating officer, Dr. David Recker, our chief medical officer, and Dr. Ross Tubo, Vericel's chief scientific officer.

I will now turn the call over to Nick.

Nick Colangelo:

Thank you, Gerard, and good morning everyone.

Vericel had an outstanding second quarter, generating strong revenue growth and commercial business results and significantly advancing our key regulatory initiatives.

From a commercial perspective, total Carticel and Epicel net revenues for the second quarter were $13.4 million, representing

a 31% increase compared to pro-forma net product revenues in the second quarter of 2014. For the first half of 2015, total Carticel and Epicel net revenues increased approximately 17% over pro-forma net product revenues for the same period in 2014.

This substantial revenue growth is the result of several sales and marketing initiatives that we have implemented over the past year. Growth was especially strong for Epicel, which is benefiting from the three new sales representatives that we recently added to restore previous levels of promotional support, and our continued focus on increasing Epicel utilization by targeting institutions that previously used the product. Our second quarter results demonstrate that both Carticel and Epicel have significant future growth potential as we continue to enhance our commercial efforts.

In addition to growing revenues, a key component of our plan to drive the business to operating profitability has been to improve gross margins. We continue to achieve gross margin improvements as gross profit was 49% of total net revenues for the second quarter, and 50% of net product revenues for the core

therapeutics business, including a 2.5% reduction in gross profit due to a one-time inventory adjustment. As a result, our second quarter operating loss of $2.3 million was significantly lower than the second quarter operating loss of $8.5 million in 2014, consistent with our forecast of lower quarterly losses as sales volumes increase and R&D costs decline.

In summary, we are very pleased with our strong second quarter commercial results as we continue to demonstrate our ability to grow Carticel and Epicel revenues and drive the business to operating profitability.

We also made considerable progress in advancing our key regulatory priorities of bringing MACI to market in the U.S. as rapidly as possible and obtaining a pediatric label change for Epicel.

MACI, our next-generation cartilage repair product, was the first tissue-engineered product approved in Europe under the Advanced Therapy Medicinal Product guidelines and has been used in approximately 10,000 patients globally for the treatment of cartilage defects in the knee. The pivotal Phase 3 SUMMIT

clinical trial supporting MACI registration in Europe demonstrated a statistically significant and clinically meaningful improvement in the co-primary endpoint of pain and function for patients treated with a MACI implant compared to microfracture at two years.

In June we announced that following discussions with the FDA, the company plans to submit a Biologics License Application for MACI by the end of the year. We believe that MACI represents a compelling opportunity to significantly expand our knee cartilage repair franchise and the market for cartilage repair products in the United States. As a third-generation cartilage repair product, we believe that MACI may offer the efficacy of Carticel with improved ease-of-use for the surgeon and a reduced rehabilitation protocol for the patient. Our clinical and regulatory teams did an outstanding job of accelerating the potential timeline for submitting the MACI BLA, positioning us to have a first-mover advantage in bringing a next generation cartilage repair product to market in the U.S.

Turning to Epicel, as we have discussed in the past, the product is approved in the U.S. as a Humanitarian Use Device under a

Humanitarian Device Exemption. As such, Epicel is subject to certain restrictions that limit pricing to an amount that does not exceed the costs of research and development, fabrication and distribution of the product. However, a Humanitarian Use Device may be eligible to be sold for profit after receiving HDE approval if the device is intended for the treatment of pediatric patients and the device is labeled for use in pediatric patients.

In July we announced that following a pre-submission meeting with the FDA, the company plans to submit an HDE supplement to the FDA in the fourth quarter of 2015 to revise the labeled indications for use of Epicel to specify use in adult and pediatric patients and add pediatric labeling. While Epicel is routinely used to treat pediatric patients and the original HDE application included a significant amount of pediatric clinical data, it currently is not specifically indicated for use in this patient population. We believe that revising the label to provide information describing the safety and clinical use of Epicel for pediatric patients will better inform surgeons regarding the safe use of Epicel in the pediatric patient population. Approval of the HDE supplement would allow Epicel to be sold for profit up

to the annual distribution number, which is defined as the number of devices reasonably needed to treat a population of 4,000 individuals per year in the United States.

Once again our clinical and regulatory teams did an outstanding job of creating an opportunity for the company to increase resources devoted to Epicel in an effort to expand utilization of this life-saving product.

In sum, our significant progress in the second quarter from both a commercial and regulatory perspective positions us to transition from a commercial turnaround story to a compelling growth story moving forward.

I will now turn the call over to Gerard to review our second quarter financial results.

Gerard Michel:

Thanks Nick.

Total revenues for the quarter ended June 30, 2015 were approximately $13.6 million and included $9.1 million of net sales of Carticel implants and surgical kits, $4.3 million of net

sales of Epicel and approximately $300 thousand in sales from our marrow donation business. Total Carticel and Epicel net product revenues in the second quarter increased approximately 31% over pro-forma second-quarter net product revenues in 2014. For the first half of 2015, total Carticel and Epicel net product revenues increased approximately 17% over pro-forma net product revenues for the same period in 2014.

Gross profit for the quarter ended June 30, 2015 was $6.7 million, or 49% of total net revenues, including sales by the company's Marrow Donation LLC subsidiary. Gross profit for the core therapeutics business for the quarter was 50% of net product revenues. Gross Profit for the quarter was reduced by 2.5% due to an inventory adjustment resulting from the implementation of an enterprise resource planning system.

R&D expenses for the quarter ended June 30, 2015 were $3.4 million versus $4.4 million for the same period a year ago. The decrease in research and development expenses is due to a reduction in expenses associated with the ongoing ixCELL-DCM clinical trial, offset by the addition of personnel and other expenses associated with Epicel, Carticel and MACI.

Selling, general and administrative expenses for the quarter were $5.6 million, compared to $3.6 million for the same period a year ago. The increase in SG&A expenses in the second quarter is primarily due to incurring a full quarter of sales and marketing expenses associated with the acquired business in the second quarter of 2015 compared to one month of sales and marketing expenses for the same period in 2014.

Loss from operations for the quarter was $2.3 million, compared to $8.5 million for the same period a year ago. Material non-cash items impacting the operating loss for the quarter included approximately 690 thousand dollars of stock-based compensation expense and approximately 300 thousand dollars in depreciation and amortization expense. Material expenditures not impacting the operating loss for the quarter include $1.2 million in capital expenditures related to the integration and upgrade of new and existing systems.

Other income for the quarter was approximately $0.1 million compared to $3.9 million for the same period a year ago. The change in other income for the quarter is primarily due to a bargain purchase gain of $3.6 million associated with the

acquisition of the acquired business in the quarter ended June 30, 2014.

Vericel reported a net loss for the quarter ended June 30, 2015 of $2.2 million, or $0.16 per share, compared to a net loss of $4.6 million, or $0.94 per share, for the same period in 2014.

Please note that per GAAP, our EPS calculation must take into account the undeclared quarterly stock dividends accrued by the Series B preferred stock. In the second quarter a value of $1.7 million was assigned to the Series B-1 Stock dividends and deducted from net income prior to calculating EPS.

As of June 30, 2015, the company had $20.2 million in cash compared to $30.3 million in cash at December 31, 2014. It is important to note that our cash balance was impacted by a $3 million increase in working capital requirements in the second quarter as a result of the growth in the business.

That completes my financial review. Now I'll turn the call over to Nick.

Nick Colangelo:

Thanks Gerard. In summary, our financial results reflect a very strong quarter with our marketed products, which are performing well. Our near-term priorities are to maintain our upward momentum with the commercial business, complete the ongoing Phase 2b ixCELL-DCM clinical study with ixmyelocel-T and submit the MACI BLA and Epicel HDE supplement to the FDA by the end of this year.

That concludes our prepared remarks. Now, I'd like the operator to open the call to your questions.

Q&A:

Nick Colangelo: Thank you for your questions and continued interest in Vericel. We are excited about the opportunities ahead and look forward to reporting on our progress on our next call.

Have a good day.