

---

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):

December 20, 2007

**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))
-

**Item 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.**

On December 20, 2007, Aastrom Biosciences, Inc. ("Aastrom") received a deficiency letter from the Nasdaq Stock Market indicating that for 30 consecutive trading days Aastrom's common stock had a closing bid price below the \$1.00 minimum closing bid as required for continued listing set forth in Nasdaq Marketplace Rule 4310(c)(4). In accordance with Nasdaq Marketplace Rule 4310(c)(8)(D), Aastrom was provided a compliance period of 180 calendar days, or until June 17, 2008, to regain compliance with this requirement.

At this time, this notification has no effect on the listing of Aastrom's common stock on the Nasdaq Capital Market.

Aastrom can regain compliance with the minimum closing bid price rule if the bid price of its common stock closes at \$1.00 or higher for a minimum of ten consecutive business days during the initial 180-day compliance period, although Nasdaq may, in its discretion, require the Company to maintain a minimum closing bid price of at least \$1.00 per share for a period in excess of ten consecutive business days (but generally no more than 20 consecutive business days) before determining that Aastrom has demonstrated the ability to maintain long-term compliance. If compliance is not achieved by June 17, 2008, Aastrom will be eligible for an additional 180-day compliance period if it meets the Nasdaq Capital Market initial listing criteria as set forth in Marketplace Rule 4310(c) other than the minimum closing bid price requirement. If Aastrom is not eligible for an additional compliance period, or does not regain compliance during any additional compliance period, Nasdaq will provide written notice to the Company that its securities will be delisted for the Nasdaq Capital Market. At such time, Aastrom would be able to appeal the delisting determination to a Nasdaq Listing Qualifications Panel.

The press release, dated December 21, 2007, announcing receipt of the notice, is filed as Exhibit 99.1 to this Current Report on Form 8-K.

---

**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.

December 21, 2007

By: */s/ Gerald D. Brennan, Jr.*

---

*Name: Gerald D. Brennan, Jr.  
Title: Vice President, Administrative & Financial Operations and  
Chief Financial Officer*

---

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
9.01	Press Release dated December 21, 2007

CONTACTS:

Kris M. Maly  
Investor Relations Department  
Aastrom Biosciences, Inc.  
Phone: (734) 930-5777

Kevin McGrath  
Cameron & Associates (Investors)  
Phone: (212) 245-4577

**AASTROM BIOSCIENCES RECEIVES NOTICE RELATED TO  
NASDAQ MINIMUM CLOSING BID PRICE RULE**

**Ann Arbor, Michigan, December 21, 2007** — Aastrom Biosciences, Inc. (Nasdaq: ASTM), a leading regenerative medicine company, today announced that on December 20, 2007, the Company received a deficiency letter from The Nasdaq Stock Market indicating that the minimum closing bid price of its common stock had fallen below \$1.00 for 30 consecutive trading days, and therefore, Aastrom was not in compliance with Marketplace Rule 4310(c)(4). In accordance with the Nasdaq Marketplace Rule 4310(c)(8)(D), Aastrom was provided a compliance period of 180 calendar days, or until June 17, 2008, to regain compliance with this requirement. At this time, this notification has no effect on the listing of Aastrom's common stock on the Nasdaq Capital Market.

Aastrom can regain compliance with the minimum closing bid price rule if the bid price of its common stock closes at \$1.00 or higher for a minimum of ten consecutive business days during the initial 180-day compliance period, although Nasdaq may, in its discretion, require the Company to maintain a minimum closing bid price of at least \$1.00 per share for a period in excess of ten consecutive business days (but generally no more than 20 consecutive business days) before determining that Aastrom has demonstrated the ability to maintain long-term compliance. If compliance is not achieved by June 17, 2008, Aastrom will be eligible for an additional 180-day compliance period if it meets the Nasdaq Capital Market initial listing criteria as set forth in Marketplace Rule 4310(c) other than the minimum closing bid price requirement. If Aastrom is not eligible for an additional compliance period, or does not regain compliance during any additional compliance period, Nasdaq will provide written notice to the Company that its securities will be delisted for the Nasdaq Capital Market. At such time, Aastrom would be able to appeal the delisting determination to a Nasdaq Listing Qualifications Panel.

**About Aastrom Biosciences, Inc.**

Aastrom is a leader 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), and preclinical research programs targeting unmet needs in cardiac and 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](http://www.aastrom.com). (astmc)

*This document contains forward-looking statements, including without limitation, statements concerning planned clinical trials and activities and anticipated timing of clinical events, product development objectives, and potential product applications, which involve certain risks and uncertainties. The forward-looking statements are also identified through use of the words "expected," "anticipated," "planned," 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 potential patient accrual difficulties, clinical trial results, potential product development difficulties, the effects of competitive therapies, regulatory approval requirements, the availability of financial and other 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.*

###