
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):
July 29, 2005

Aastrom Biosciences, Inc.
(Exact name of registrant as specified in its charter)

Michigan
(State or other
jurisdiction of
incorporation)

0-22025
(Commission File No.)

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

24 Frank Lloyd Wright Drive
P.O. Box 376
Ann Arbor, Michigan 48106
(Address of principal executive offices)

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

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 1.01 Entry into a Material Definitive Agreement

In connection with his appointment to the Board of Directors, Stephen G. Sudovar received an automatic grant of a stock option under the Aastrom Biosciences, Inc. 2004 Equity Incentive Plan (the "2004 Plan") to purchase 12,000 shares of common stock at an exercise price of \$3.19, which was equal to the fair market value of a share of the company's stock on July 29, 2005 (the date of grant). The vesting and service requirements for this option are identical in all material respects to the grant of stock options to other non-employee directors under the 2004 Plan. In particular, the stock option vests and becomes exercisable in twelve equal monthly increments after the grant date and terminates on the tenth anniversary of the date of grant, unless earlier terminated as a result of termination of service.

Item 5.02 Departure of Directors or Principal Executive Officers; Election of Directors; Appointment of Principal Officers.

Effective as of July 29, 2005, the Board of Directors of Aastrom Biosciences, Inc. elected Stephen G. Sudovar to the Board. Mr. Sudovar was added to the class of directors (Class II) whose terms expire at the 2005 Annual Meeting of Shareholders. The Board of Directors has not yet determined the committees on which Mr. Sudovar will serve. A press release announcing this election is attached hereto as Exhibit 99.1

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press release dated August 2, 2005

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.

Date: August 2, 2005

AASTROM BIOSCIENCES, INC.

By: /s/ Gerald D. Brennan, Jr.
Gerald D. Brennan, Jr.
Vice President, Administrative and Financial
Operations; Chief Financial Officer

(AASTROM BIOSCIENCE INC. LOGO)

P.O. BOX 376 - ANN ARBOR, MICHIGAN 48106 - PH: 734-930-5555 - Fax: 734-665-0485

For Immediate Release

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STEPHEN G. SUDOVAR ELECTED TO
AASTROM BIOSCIENCES' BOARD OF DIRECTORS

ANN ARBOR, MICHIGAN, AUGUST 2, 2005 -- Aastrom Biosciences, Inc. (Nasdaq: ASTM) announced today that Stephen G. Sudovar, former President and CEO of EluSys Therapeutics, Inc. and former President of Roche Laboratories, Inc., has been elected to the Company's Board of Directors effective July 29, 2005.

"We welcome Mr. Sudovar to our Board of Directors with great enthusiasm. In the course of his 30-year career in the health care industry, Mr. Sudovar has demonstrated outstanding leadership in the development and growth of businesses for both large, global companies as well as development stage companies," said R. Douglas Armstrong, Ph.D., Chief Executive Officer and Chairman of Aastrom. "Mr. Sudovar's board and management experience, along with his medical product marketing expertise should make him an excellent representative for our shareholders, and a key advisor for our officers."

Mr. Sudovar most recently served as President and CEO of EluSys Therapeutics, Inc., a start-up biopharmaceutical company with a pipeline of products in various stages of development. Prior to joining EluSys in 1999, Mr. Sudovar was the President of Roche Laboratories, Inc., a division of Hoffmann La Roche, Inc. While in this position, the company's revenues tripled over a 10-year period, while consistently increasing divisional profit contribution and substantially increasing the company's share of the U.S. market. Before he assumed the duties of President at Roche, Mr. Sudovar held the positions of Senior Vice President, Executive Director of Special Projects at Basel Headquarters (Switzerland), and Vice President and General Manager.

Prior to joining Roche, Mr. Sudovar was the President, CEO and Chairman of Pracon Incorporated, a health care consulting and communications firm he founded and presided over during ten years of profitable growth. Mr. Sudovar holds a B.S. in Marketing and Finance from St. Peter's College, and an M.B.A. from Fairleigh Dickinson University. He is a member of numerous professional organizations, and has published articles on a wide variety of issues related to the field of health care.

ABOUT AASTROM BIOSCIENCES, INC.

Aastrom Biosciences, Inc. (Nasdaq: ASTM) is developing patient-specific products for the repair or regeneration of human tissues, utilizing the Company's proprietary adult stem cell technology. Aastrom's strategic position in the tissue regeneration sector is enabled by its proprietary Tissue Repair Cells (TRCs), a mix of bone marrow-derived adult stem and progenitor cells, and the AastromReplicell(R) System, an industry-unique automated cell production platform used to produce cells for clinical use. TRCs are the core component of the products Aastrom is developing for severe bone fractures, ischemic vascular disease, jaw reconstruction and spine fusion, with Phase I/II level clinical trials active in the U.S. and EU for some of these indications.

For more information, visit Aastrom's website at www.aastrom.com.

This document contains forward-looking statements, including without limitation, statements regarding product development objectives, and market development plans, which involve certain risks and uncertainties. The forward-looking statements are also identified through use of the words "should," 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 activities, regulatory approval requirements, and the availability of resources. 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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