
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 18, 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 3.01 Notice of Delisting or Failure to Satisfy a Continued Listing Rule or Standard; Transfer of Listing.

On June 18, 2008, Aastrom Biosciences, Inc. ("Aastrom") announced that it received a notice from The Nasdaq Stock Market informing Aastrom that pursuant to Nasdaq's previous deficiency letter of December 20, 2007, Aastrom had not regained compliance with Nasdaq Marketplace Rule 4310(c)(4) related to the minimum closing bid price of the Company's common shares by June 17, 2008.

The notice stated that because Aastrom met all initial inclusion criteria for the Nasdaq Capital Market set forth in Marketplace Rule 4310(c) on June 17, 2008 except for the minimum closing bid price requirement, in accordance with Marketplace Rule 4310(c)(8)(D), Aastrom will now be provided an additional 180 calendar day compliance period, or until December 15, 2008, to regain compliance. To regain compliance anytime before December 15, 2008, the bid price of Aastrom's common shares must close at \$1.00 per share or higher for a minimum of ten consecutive business days (generally no longer than 20 consecutive days).

If Aastrom does not regain compliance during this additional compliance period, Nasdaq will provide written notice to Aastrom that its securities will be delisted from the Nasdaq Capital Market. At such time, Aastrom would be able to appeal the delisting determination to a Nasdaq Listing Qualifications Panel. At this time, this notification has no effect on the continued listing of Aastrom's common stock on the Nasdaq Capital Market.

The Company issued a press release, dated June 18, 2008, announcing the receipt of the notice, a copy of which is filed as Exhibit 99.1 to this Current Report on Form 8-K.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits.

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.

June 18, 2008

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

Name: George W. Dunbar, Jr.

Title: Chief Executive Officer and President

Exhibit Index

Exhibit No.	Description
99.1	Press Release dated June 18, 2008

CONTACTS:

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Aastrom Biosciences, Inc.
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Kevin McGrath
Cameron & Associates (Investors)
Phone: (212) 245-4577

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

Ann Arbor, Michigan, June 18, 2008 — Aastrom Biosciences, Inc. (Nasdaq: ASTM), a leading regenerative medicine company, today announced that on June 18, 2008 the Company received a notice from The Nasdaq Stock Market (Nasdaq) informing the Company, that pursuant to Nasdaq's previous deficiency letter of December 20, 2007, Aastrom had not regained compliance with Nasdaq Marketplace Rule 4310(c)(4) related to the minimum closing bid price of the Company's common shares by June 17, 2008. The notice stated that because Aastrom met all initial inclusion criteria for the Nasdaq Capital Market set forth in Marketplace Rule 4310(c) on June 17, 2008, except for the minimum closing bid price requirement, in accordance with Marketplace Rule 4310(c)(8) (D) Aastrom will now be provided an additional 180 calendar day compliance period, or until December 15, 2008, to regain compliance. At this time, this notification has no effect on the continued listing of Aastrom's common stock on the Nasdaq Capital Market.

Aastrom can regain compliance with the minimum closing bid price rule anytime before December 15, 2008, if the bid price of its common stock closes at \$1.00 or higher for a minimum of ten consecutive business days. 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 Aastrom does not regain compliance during this additional compliance period, Nasdaq will provide written notice to Aastrom that its securities will be delisted from 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 cardiovascular, bone 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 cardiovascular regeneration product in Phase II development for the treatment of dilated cardiomyopathy (DCM) (called the IMPACT-DCM trial) and 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 a preclinical research program targeting unmet needs in neural health. Aastrom product candidates to treat DCM and osteonecrosis of the femoral head 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 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.

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