

Capstone Therapeutics
 1275 West Washington Street
 Suite 101
 Tempe, AZ 85281
 (602) 286-5520
www.capstonethx.com

Company Description
 Capstone Therapeutics is a development stage biopharmaceutical company with a pipeline of novel therapeutic peptides. The Company is focused on two product platforms: AZX100 and Chrysalin® (TP508).

◆ AZX100 is one of a new class of compounds in the field of smooth muscle relaxation and anti-fibrosis. It is currently being evaluated for prevention or reduction of dermal/hypertrophic and keloid scars, treatment of pulmonary disease and intimal hyperplasia. The Company has an exclusive worldwide license to AZX100.

◆ Chrysalin has been proven in multiple pre-clinical and clinical models to stimulate cellular events leading to angiogenesis, revascularization and repair of dermal and musculoskeletal tissues. It is currently being evaluated in disorders that involve vascular endothelial dysfunction such as acute myocardial infarction. The Company owns exclusive worldwide rights to Chrysalin.

Product	Description	Target Indication(s)
AZX100	<ul style="list-style-type: none"> ◆ 24 amino acid synthetic biomimetic peptide ◆ Components: <ul style="list-style-type: none"> ▶ "Carrier" - protein transduction domain ▶ "Cargo" - short active peptide fragment of HSP20 	<ul style="list-style-type: none"> ◆ Smooth-muscle relaxation <ul style="list-style-type: none"> ▶ β-agonist refractory asthma ◆ Anti-fibrotic indications <ul style="list-style-type: none"> ▶ Hypertrophic scarring ▶ Pulmonary fibrosis ◆ Intimal hyperplasia <ul style="list-style-type: none"> ▶ Vascular access ▶ Vein graft patency
Chrysalin® (TP508)	<ul style="list-style-type: none"> ◆ 23 amino acid synthetic biomimetic peptide ◆ Contains the active binding domain of human thrombin 	<ul style="list-style-type: none"> ◆ Vascular Endothelial Dysfunction (VED) ◆ Coronary Artery Disease <ul style="list-style-type: none"> ▶ Myocardial Ischemia, Infarction ◆ Peripheral Artery Disease ◆ Tissue repair

Corporate / Financial

NASDAQ: CAPS
 Cash & Investments: \$48.0M (31-Dec-2008)
 No long-term debt
 Shares Outstanding: ~40.8 million
 Institutional Ownership: ~30%

Management

John M. (Jock) Holliman, III
 Executive Chairman
 Randolph C. Steer, MD, Ph.D.
 President
 Les M. Taeger, SVP, CFO
 Dana B. Shinbaum, VP
 Business Development

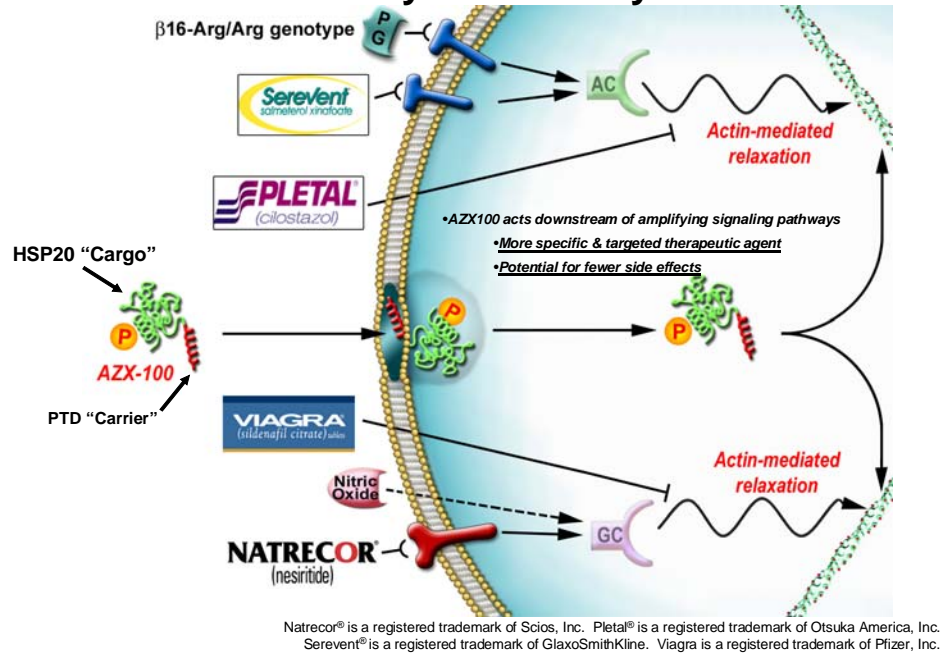
Board of Directors

Frederic J. Feldman, Ph.D.
 John M. (Jock) Holliman, III
 Elwood D. Howse, Jr.
 William M. Wardell, MD, Ph.D.
 Augustus A. White, III, MD, Ph.D.

Scientific Advisory Board

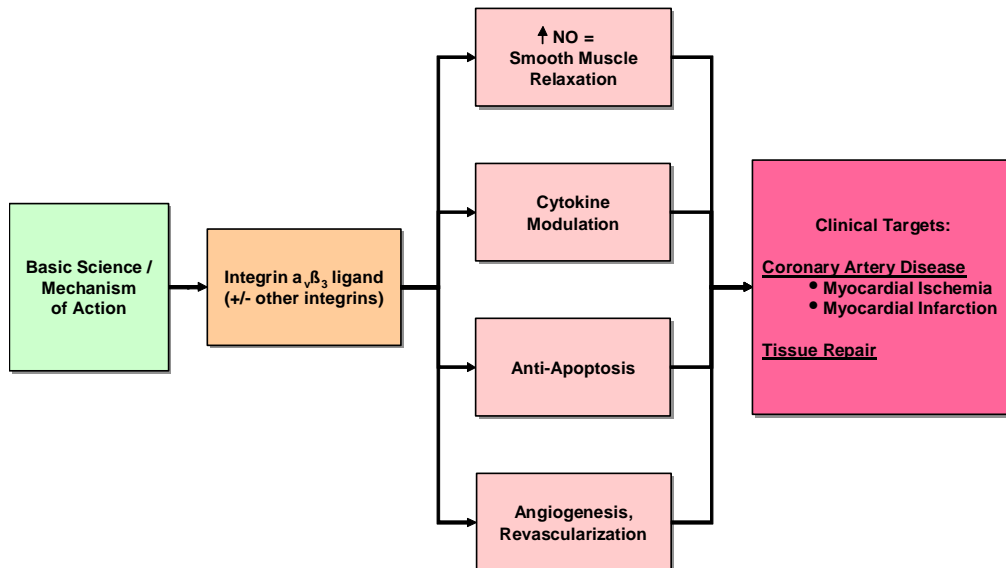
- ◆ **Michael E. Mendelsohn, MD, FACC (Chair)** is Chief Scientific Officer at Tufts Medical Center and the first recipient of the Elisa Kent Mendelsohn Professorship of Molecular Cardiology and Medicine at Tufts University School of Medicine. He is also Vice-Chairman for Scientific Affairs of the Department of Medicine and Chairman of the Research Executive Committee for Tufts-New England Medical Center. Dr. Mendelsohn is an international leader in the study of molecular vascular biology. As a physician-scientist, Dr. Mendelsohn has focused on signal transduction pathways regulating vascular tone and function.
- ◆ **Charles A. Dinarello, MD** is Professor of Medicine at the University of Colorado School of Medicine in Denver. Until 1996, he was Professor of Medicine and Pediatrics at Tufts University School of Medicine and a staff physician at the New England Medical Center Hospital in Boston. Dr. Dinarello has published over 500 original research articles on cytokines, particularly Interleukin-1 and Tumor Necrosis Factor. The Institute for Scientific Information listed him as the world's fourth most cited scientist (all science) for the 20 years (1983–2003). Elected to the United States National Academy of Sciences in 1998 and is currently a member of the editorial board of Proceedings of the National Academy of Sciences.

AZX100 Acts Directly on Actin Cytoskeleton



Indication (Site)	Pre-Clinical Studies	IND	Phase 1	Phase 2	Status
Dermal / Hypertrophic Scarring	➔				<ul style="list-style-type: none"> Phase 1a: <ul style="list-style-type: none"> Initiated: Feb-2008 Results: May-2008 Phase 1b: <ul style="list-style-type: none"> Initiated Jul-2008 Results: Dec-2008 Initiate Phase 2: 1Q2009
Keloid Pilot Study	➔				<ul style="list-style-type: none"> Initiate Phase 2: 1Q2009
Asthma (β-agonist refractory) (LRR1)	➔				<ul style="list-style-type: none"> Early data indicate positive effect in certain models Evaluating in additional model 1Q2009
Pulmonary Fibrosis (LRR1)	➔				<ul style="list-style-type: none"> Developing 2nd model to test effect; 1Q2009
Intimal Hyperplasia ♦ Vascular (Renal) Access (U. of Cin)	➔				<ul style="list-style-type: none"> Early data demonstrate effectiveness Awaiting confirmatory data 1Q2009

Chrysalin Development Focus: Vascular Applications



Indication (Site)	Pre-Clinical Studies	IND	Phase 1	Status	Status / Results
Chronic Myocardial Ischemia (Texas A&M)	➔			<ul style="list-style-type: none"> Proof-of-Concept Model Completed 	<ul style="list-style-type: none"> Statistically Significant Effect on Revascularization of Ischemic Tissue Published Sep-2008
Acute Myocardial Infarction (Beth Israel Deaconess / Harvard)	➔			<ul style="list-style-type: none"> Proof-of-Concept Model Completed 	<ul style="list-style-type: none"> Statistically Significant Reduction in Size of Infarct First-Ever Reported Success in Standard Model of VED, AMI & Hypercholesterolemia