CLAIMS

1. A method for suppressing T cell activation which comprises contacting a cell population comprising T cells *in vitro* or *ex vivo* with an effective amount of a population of cells enriched for cells expressing STRO-1^{bright} to suppress T cell activation; in which the cells expressing STRO-1^{bright} are preferentially enriched relative to cells expressing STRO-1^{dim} or STRO-1^{intermediate}.

2. A method according to Claim 1, in which the cell population is a peripheral blood mononuclear cell sample.

3. A method according to Claim 2, in which the cell population comprises CD25+ CD4+ T cells of a naïve phenotype (CD45RA^{+}).

4. A method according to Claim 1, 2 or 3, which comprises contacting the cell population comprising T cells *in vitro* or *ex vivo* with an effective amount of a population of cells enriched for cells expressing STRO-1^{bright} and one or more factors which induce formation of regulatory T cells selected from the group consisting of: α-melanocyte-stimulating hormone (α-MSH), transforming growth factor-β2 (TGF-β2), vitamin D3 and Dexamethasone.

5. A method according to any preceding claim, which further comprises contacting the cell population comprising T cells with one or more agents selected from the group consisting of interleukins, antigens, antigen presenting cells, lectins, and antibodies or specific ligands for a cell surface receptors or combinations thereof.

6. A method according to Claim 5, in which the interleukin is IL-1, IL-2, IL-3, IL-4, IL-5, IL-6, IL-7, IL-8, IL-9, IL-10, IL-11, IL-12, IL-13, IL-14, IL-15, IL-16, IL-17, IL-18 or combinations thereof.

7. A method according to any preceding claim, in which the STRO-1^{bright} cells and/or progeny thereof are allogeneic.

8. A composition comprising T cells, a population of cells enriched for cells expressing STRO-1^{bright} and/or soluble factors derived therefrom, one or more factors which induce formation of regulatory T cells and a pharmaceutically acceptable carrier.