



About Taleo

Taleo (NASDAQ: TLEO) is the leader in on demand unified talent management solutions that empower organizations of all sizes to assess, acquire, develop and align their workforces for improved business performance. More than 3,800 organizations use Taleo, including 47 of the Fortune 100 and 3,000 small and medium sized businesses, for talent acquisition and performance management, in 200 countries and territories. Known for its strong configurability and usability, Taleo's talent management platform runs on a world-class infrastructure and offers 99.9% availability. Taleo's Talent Grid harnesses the resources of the Taleo community of customers, candidates, and partners to power the talent needs of companies around the world.

Investment Highlights — Q3 2008

- GAAP revenues of \$46.8 million for the third quarter of 2008; Non-GAAP revenues were \$50.6 million, which includes the revenue related to the write-down of deferred revenue associated with the acquisition of Vurv Technology, Inc. ("Vurv") on July 1, 2008.
- Signed more than 230 new customers, including 22 new Enterprise Edition customers and 210 new Business Edition customers.
- Total number of Taleo Performance™ customers exceeded the Company's objective for the year, one full quarter ahead of plan.
- Net loss of \$(8.2) million, or \$(0.28) per fully diluted share, resulting from the increase in amortization and transaction costs associated with the Vurv acquisition.
- Non-GAAP net income of \$5.6 million, or \$0.17 per fully diluted share.
- With the acquisition of Vurv, customer base grew to over 3,800 customers with more than 2.6 million users.

Financial Highlights: NASDAQ: TLEO

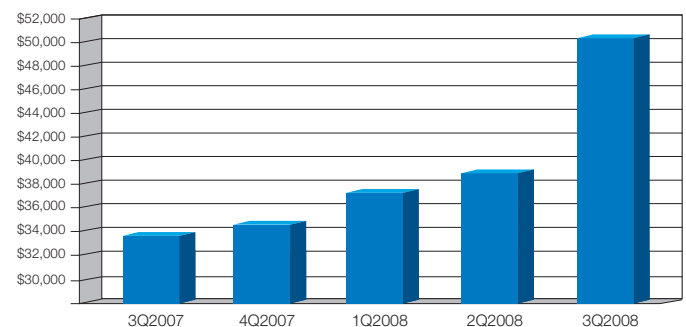
Market Cap (10/01/08) ¹	\$690.87 million
Fully Diluted Shares Outstanding	34.1 million
3Q08 Non-GAAP Revenue ²	\$50.6 million
3Q08 Non-GAAP EPS ³	\$0.17
TTM Non-GAAP Revenue ⁴	\$161.2 million
TTM Non-GAAP EPS ⁵	\$0.59

¹ Based upon 34.1M shares outstanding as of 9/30/08.

^{2, 4} Includes the revenue related to the write-down of deferred revenue associated with the acquisition of Vurv Technology, Inc. ("Vurv") on July 1, 2008.

^{3, 5} Includes the non-GAAP revenue related to the write down of the deferred revenue associated with the Vurv acquisition, and excludes share-based compensation expense pursuant to SFAS 123(R), amortization and impairment of acquired intangibles, restructuring and severance expense, non-cash tax valuation adjustment, and non-cash income tax reserve.

Revenue by Quarter (non-GAAP, in thousands)



Third Quarter Business Highlights

- **Acquired 22 New Taleo Enterprise Edition™ Customers.** Demand for Taleo's talent management solutions continued with the company signing 22 new enterprise customers, bringing Taleo's enterprise customer base to over 640 organizations around the world. New Taleo Enterprise Edition™ customers in North America included: Panasonic Corp. of North America, Frost Bank, Jackson National Life Insurance, Lifepoint Hospitals and Newmont Mining Corporation.
- **Signed Record Number of New SMB Customers.** Taleo Business Edition™, a recruiting solution targeted at companies with less than 3,000 employees, welcomed 210 new customers, further establishing Taleo as the leader for SMB Recruiting. New TBE customers include: Tesla Motors, Michael & Susan Dell Foundation, LA Federal Credit Union and Jaguar Land Rover NA. Taleo also announced Q4 plans to launch Taleo Business Edition Perform, specifically tuned for the staff assessment and performance management needs of SMBs.
- **Continued Rapid International Adoption.** Revenues from outside of North America, based on the location of the customer's contracting entity, grew by 130% over the same period last year and represented 13% of total revenues. New international customers included Bic Group, Prudential Distribution Limited and Vertex.
- **Exceeded Plan on Performance Management Momentum.** The number of sales of Taleo Performance™ exceeded the Company's objective for the year, one full quarter ahead of plan. A second major release of the product was also released earlier this month. The Company closed enterprise deals in North America and Europe, including Bic, Vertex, Wilber-Ellis and Renault.
- **Entered Compensation Management Market with Best in Class Equity Partner.** With more than a dozen joint customers in the sales pipeline, Taleo leveraged synergy with WorldWide Compensation and signed a strategic partner arrangement, coupled with an equity investment and option to buy this emerging global compensation provider. This alliance fills out Taleo's Talent Management solution set and enhances the value of its core recruiting and performance solutions.
- **Continued Recruiting Leadership with First Quarter Post Vurv Acquisition:** Brought full power of combined sales, support and marketing/operations staff to increase our market leading position in talent management. Market momentum contributed to sold-out Taleo WORLD conference on September 15-18, 2008 for Taleo and Vurv customers alike.
- **Expanded Talent Management Community: Launched Talent Grid.** Taleo grew its global presence with over 2.6 million users worldwide; and marked a milestone in September by processing its 100 millionth candidate applying for a job using a Taleo-powered site. Recognizing the network effect of the industry's largest combination of customers, users, candidates and partners, the company announced its Talent Grid cloud computing strategy on September 16, 2008.

Customers

Leading organizations across major industries worldwide use Taleo on demand talent management solutions to assess, acquire, develop, and align their workforce for improved business performance.

Financial



Manufacturing



Technology



Retail



Healthcare/ Life Services



Products

Taleo Enterprise Edition meets the talent management needs of medium to large enterprises with thousands of employees. The solution empowers corporations with a scalable, adaptable platform to manage talent and performance across multiple countries, organizations, brands, divisions, and hire types.

Taleo Business Edition enables small and medium organizations to set up a career site in an hour, configure in minutes, and process applicants immediately from a custom system. Equally flexible and accessible for hundreds or thousands of employees, the solution can be customized for standalone departments, company divisions, small businesses, or staffing companies.

Taleo Performance Management combines innovative goals, performance, career, and succession management with the industry's leading on demand talent management platform so you can achieve improved performance across your workforce.

Sell-Side Coverage

Firm

Brean, Murray, Carret
Deutsche Bank
Friedman Billings Ramsey
KeyBanc Capital Markets
Lime Lock/Soleil Securities
Maxim Group
Merrill Lynch
MKM Partners
Oppenheimer & Company
Pacific Crest Securities
RBC Capital Markets
RW Baird
Susquehanna Financial Group
ThinkPanmure Partners
Wedbush Morgan Securities

Analyst

Andrey Glukhov
Tom Ernst, Jr.
David Hilal
Steve Koenig
Dan Cummins
Matthew Weiss
Kash Rangan
Bradley Mook
Brad Reback
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