
Taleo  Talent Drives Performance



Taleo Corporate Overview

March 2008

Safe Harbor

This presentation may contain projections or other forward-looking statements regarding future events or the future financial performance of Taleo Corporation. These statements are only predictions and reflect the current beliefs and expectations of Taleo Corporation. Actual events or results may differ materially from those contained in the projections or forward-looking statements. Factors that could cause actual results to differ materially from the forward-looking statements contained herein are detailed in documents Taleo Corporation files from time to time with the Securities and Exchange Commission, including its recent filings on Forms 10-K as filed with the SEC on March 14, 2008, and 10-Q as filed with the SEC on November 9, 2007. Forward-looking statements in this presentation are made pursuant to the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995.

Agenda

1. Business Overview
2. Market Opportunity
3. Superior Solutions and Execution
4. Financial Overview



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Why Taleo?

Large and growing talent market



Proven market leadership



Pure On Demand provider with award winning platform



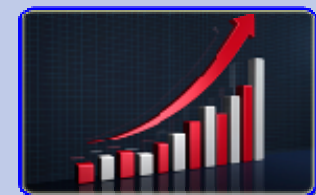
Delivering real ROI to large and growing customer base



Superior sales and channel execution



Rapid growth in revenue and profitability

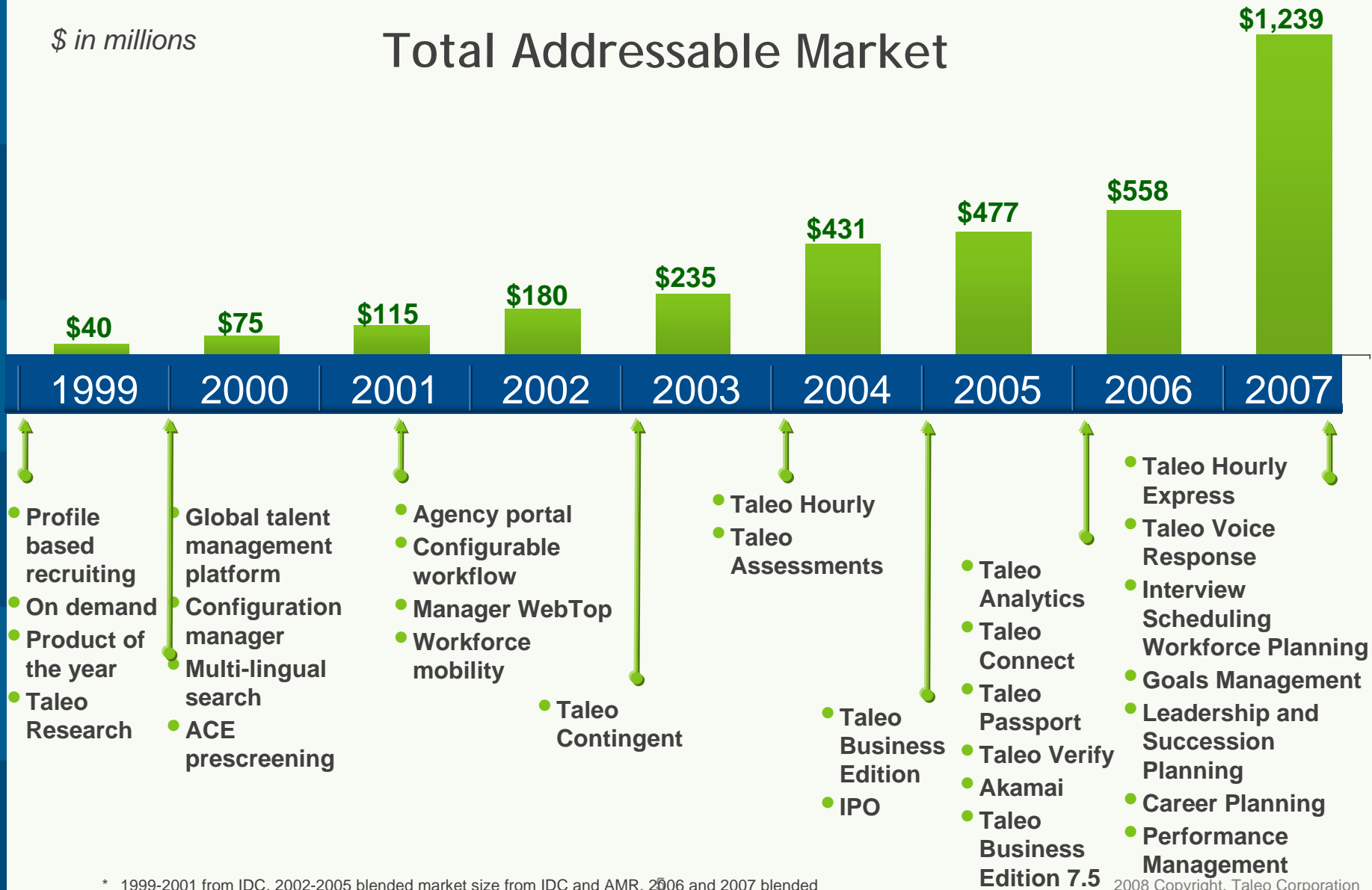


History of Innovation, Execution and Growth



\$ in millions

Total Addressable Market



* 1999-2001 from IDC, 2002-2005 blended market size from IDC and AMR, 2006 and 2007 blended market size from Yankee Group, IDC and AMR.

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What is Talent Management?

A management system that optimizes workforce achievement to transform business goals into business performance



Talent Management is a C-Level Imperative

Macro Trends

Labor shortages
Aging workforce
Increasing employee mobility
Globalization

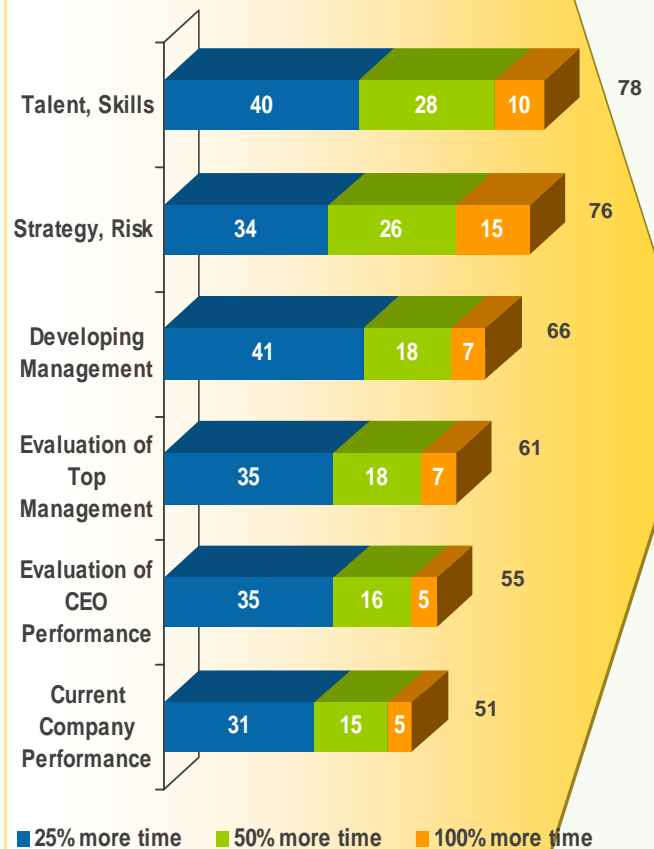
Micro Trends

Skilled labor accounts for 70% of the value of S&P 500 companies today versus 20% in 1980 (Accenture)

Corporations spend 2.5x annual compensation to replace employees (BLS)
70% of employees feel performance mgmt. tools are inadequate (NY Times)

Critical Business Need

BoD Priority Topics

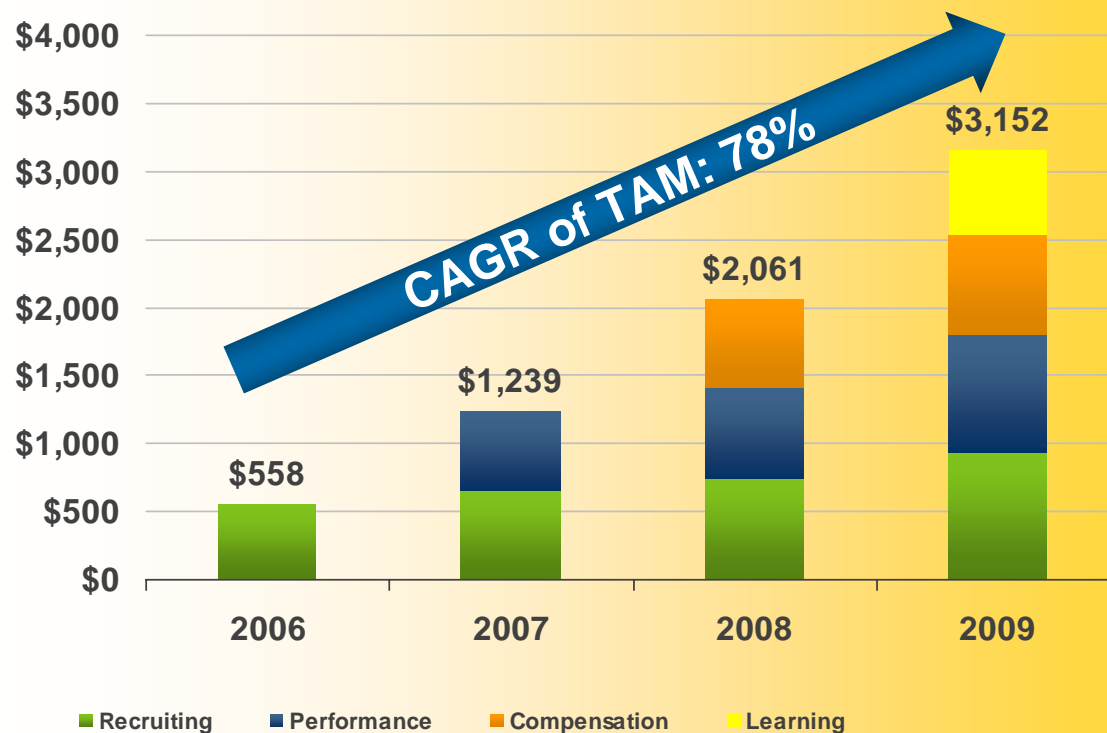


Source: McKinsey-The View from the Boardroom

Significant Market Opportunity

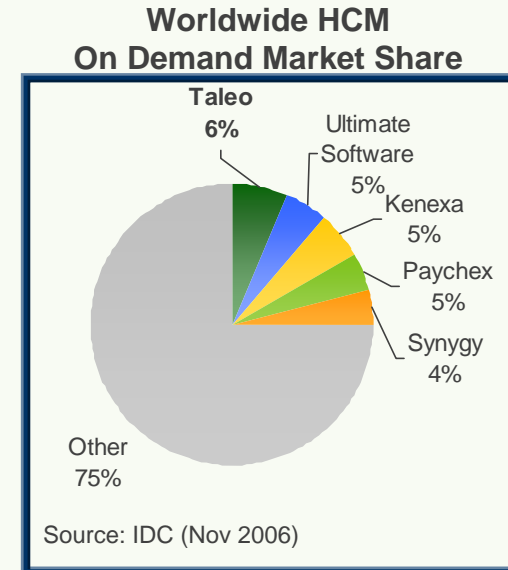
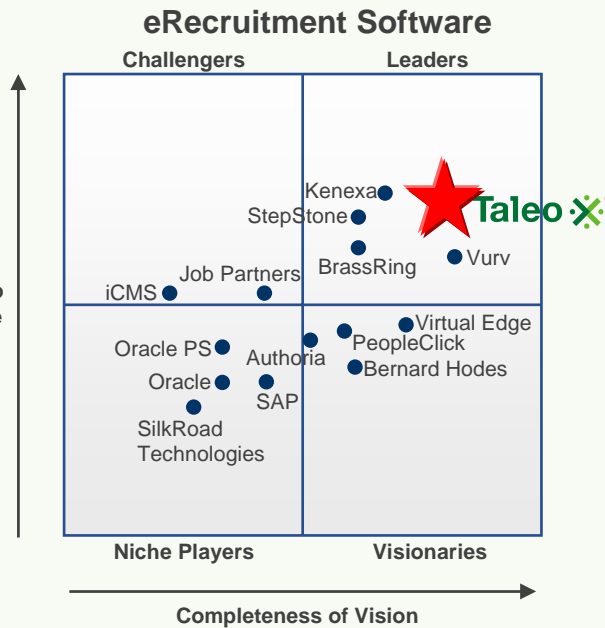
Taleo's Total Addressable Market

\$ in millions



- Large and growing market
- SMB Opportunity:
 - 98K firms: 100-2,500 EEs
 - 515K firms: 20-200 EEs*
- Enterprise Opportunity:
 - 3- 3,551 firm: >2,500EEs

Taleo: The Recognized Market Leader



Gartner

“Taleo is well-suited to large, complex, global organizations that want a vendor with a strong product backed up by a strong service and research organization.”

Gartner, James Holincheck,
“E-Recruitment Magic Quadrant” Dec '06

IDC

Taleo was the # 1 vendor in the eRecruiting market in 2005. Taleo was also the # 1 vendor in the on demand HCM market with the most subscription-based revenue.

IDC, Albert Pang
“Worldwide HCM Marketshare Leaders” Nov '06

Talent Management Competitive Landscape

	Taleo	TM Suite Vendors	Niche Vendors	ERP Vendors	LEGEND:
Domain Expertise					Excellent
Global Application					Very Good
Enterprise Market					Good
SMB Market					Good
Single Code Base					Fair
Pure On Demand					Fair
Depth of Offering					Fair
Breadth of Offering					Fair
Financial Strength					Poor

Best-in-class product with segmented suites
 Broad, referenceable customer base
 Focused, effective talent management salesforce

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The Next Generation: Taleo Performance



On Demand Enterprise Infrastructure

On Demand Model



No hardware
No software
No IT staff

Lower TCO

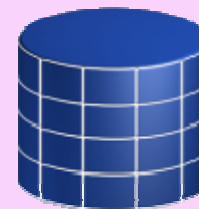
Enterprise Class Infrastructure



Reliable
Scalable
Secure
Dual data centers
99.9+% availability

Mitigate Risk

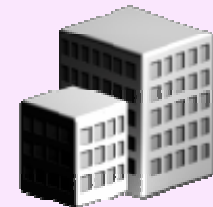
Single Code Base



Automatic upgrades
No maintenance
Flexible & easy configurations

Rapid Innovation

Multi-Tenant



Shared Infrastructure
Economies of scale
Operating Leverage

Scalability

Superior Sales Execution

Enterprise

Global, multiple brands & divisions
 Heterogeneous staffing processes
 High volume, 24X7
 At end of 4Q07:
 33 quota carrying sales reps
 14 sales reps focused on renewals
 37 of Fortune 100
 >300 large enterprises

Strongest Customer Base In the Industry

SMB

Easy to deploy
 Easy to use
 Easy to buy
 Self service implementation
 Telesales model
 Fast growing business
 4Q07=19 sales reps focused on SMB
 ~1,200 customers

Fastest Growing Customer Segment

HRO Channel



Strongest HRO Channel In the Industry

Taleo World Class Services

Taleo Research

Thought Leadership

ROI measurement
 Research on Industry Trends
 Best practices
 Benchmarking

World Class Support

Global; 24 x 7

Multi-Channel
 Phone, web, email
 Knowledge base
 Escalation management
 Premium support

Professional Services

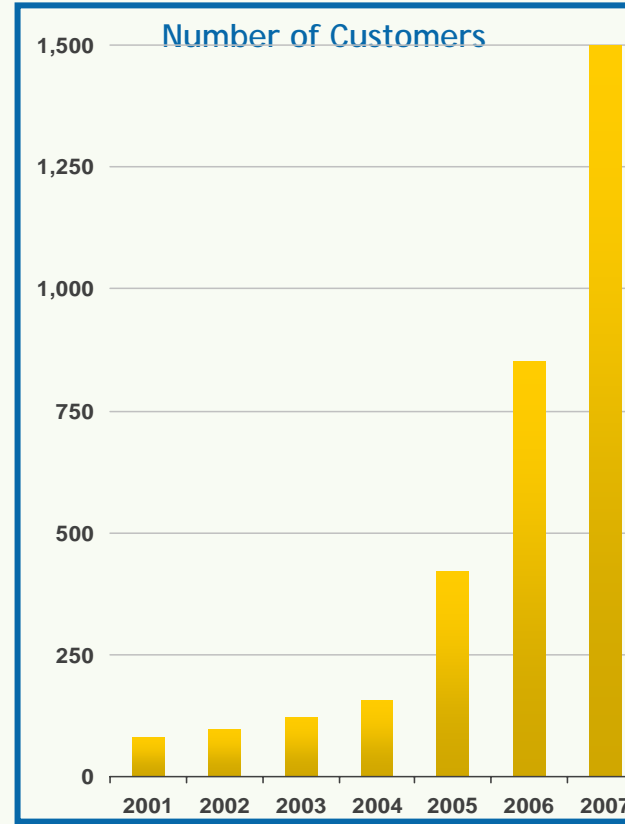
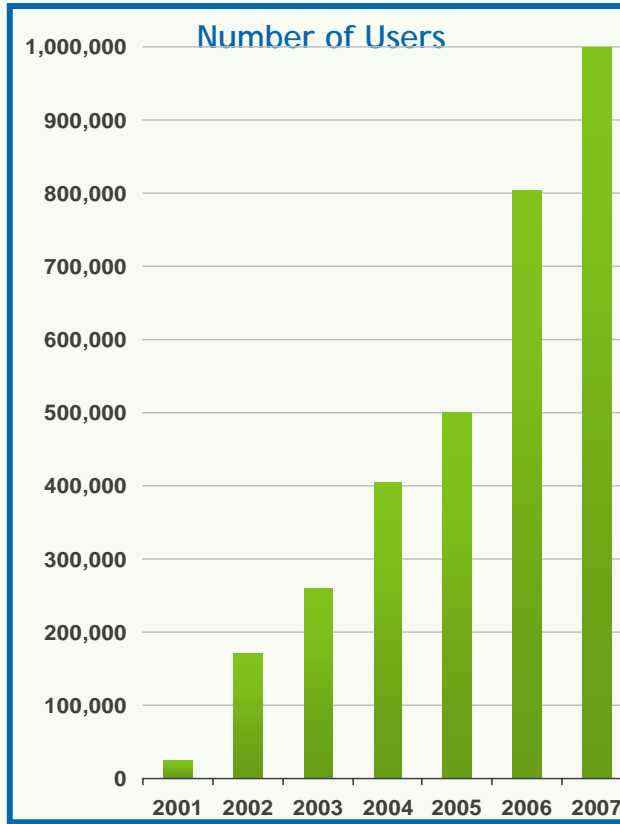
Proven Track Record & Depth of Expertise

Education
 Implementation
 Integration
 Rapid deployment
 No failed implementations

Dedicated Client Executive

Unmatched Customer Base

Financial

Technology



Manufacturing



Retail



Health Care/Life Sciences



Proven Track Record of Customer Success



- Reduced advertising expenditures by 50% in local hotels
- Increased productivity and reduced cycle time by 50%
- Standardized reporting and captured metrics and candidate statuses for campus reporting



- Achieved 500% ROI
- Reduced search fees and advertising expenses by more than 30% on average
- Reduced workflow



53% report decrease in process costs



30% reduction in cost of hire



54% improvement in quality of hire



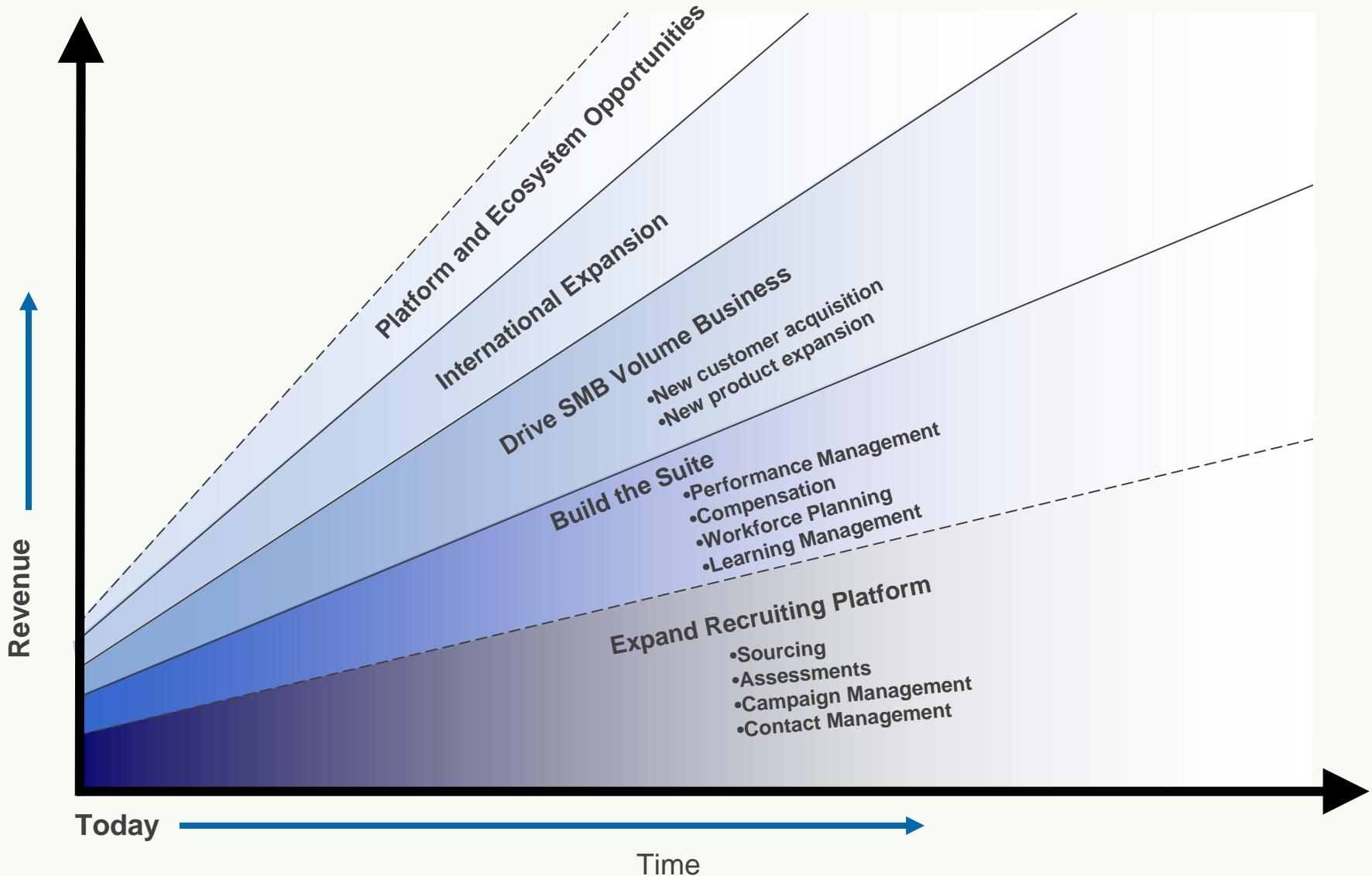
- Employs skill-based solutions for internal mobility and external hiring in 60 countries accessed by 14,000 hiring managers
- More than 215,000 candidate profiles that can be targeted for jobs as they occur
- Adheres to each country's regulatory requirements



UnitedHealth Group

- Added self services solution to improve overall staffing process
- Reduced advertising spending by \$2 million and saved nearly \$5 million in agency fees
- Deployed select kiosks and other self-services to optimally deploy internal and external talent

Multiple Growth Drivers



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Business Model Highlights

Profitability

Financial Stability

- Cash flow positive: **>\$30 million in 2007**
- 4Q07 non-GAAP net income of **\$4.2 million** (\$0.14/share)

Visibility Financial Strength

Strong base of recurring revenue

- Multi-year contracts (avg. 3 yrs)
- Ratable revenue recognition
- Strong cash balance: \$86.1 million, no debt
- Strong visibility into backlog

High Customer Lifetime Value

Excellent value creation characteristics

- High renewal rate %: mid/high-90s
- Value-added services revenues
- Cross-sell and up-sell add-on products to install base

Significant Operating Leverage

Pure on demand business model

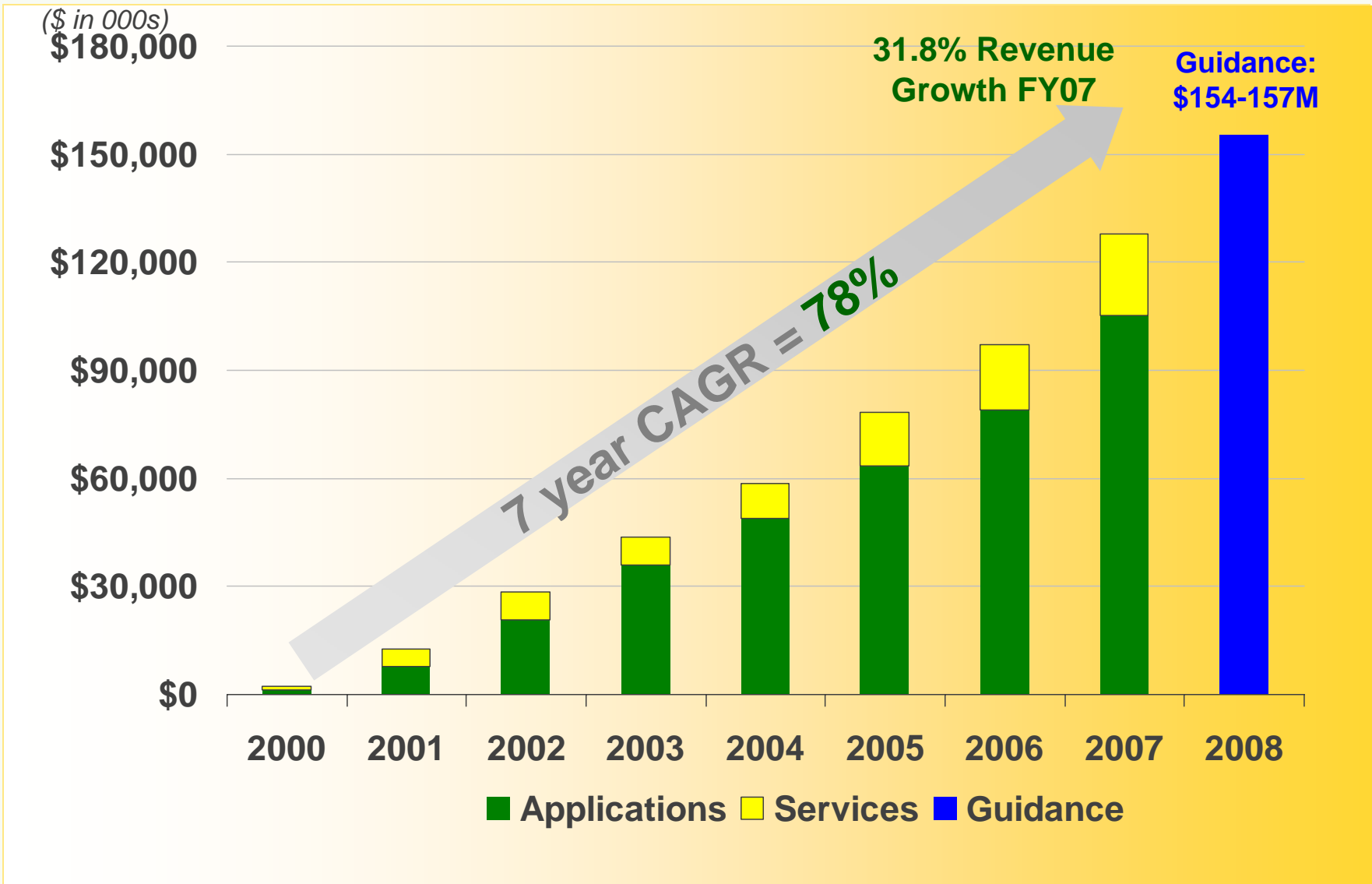
- Single code base
- Standardized and leveraged cost structure
- Rapid solution adoption by customers

FY 2007 Highlights

- >31.9% Year over Year total revenue growth
- 78 new Taleo Enterprise Edition and 717 new Taleo Business Edition customers added, bringing total customer base to >1,500 organizations around the world
- 26 \$250K+ annual ASP deals in FY 2007, up 40% from 18 in FY 2006
- Taleo now serves 37 of the Fortune 100, and 108 of the Fortune 500 companies.

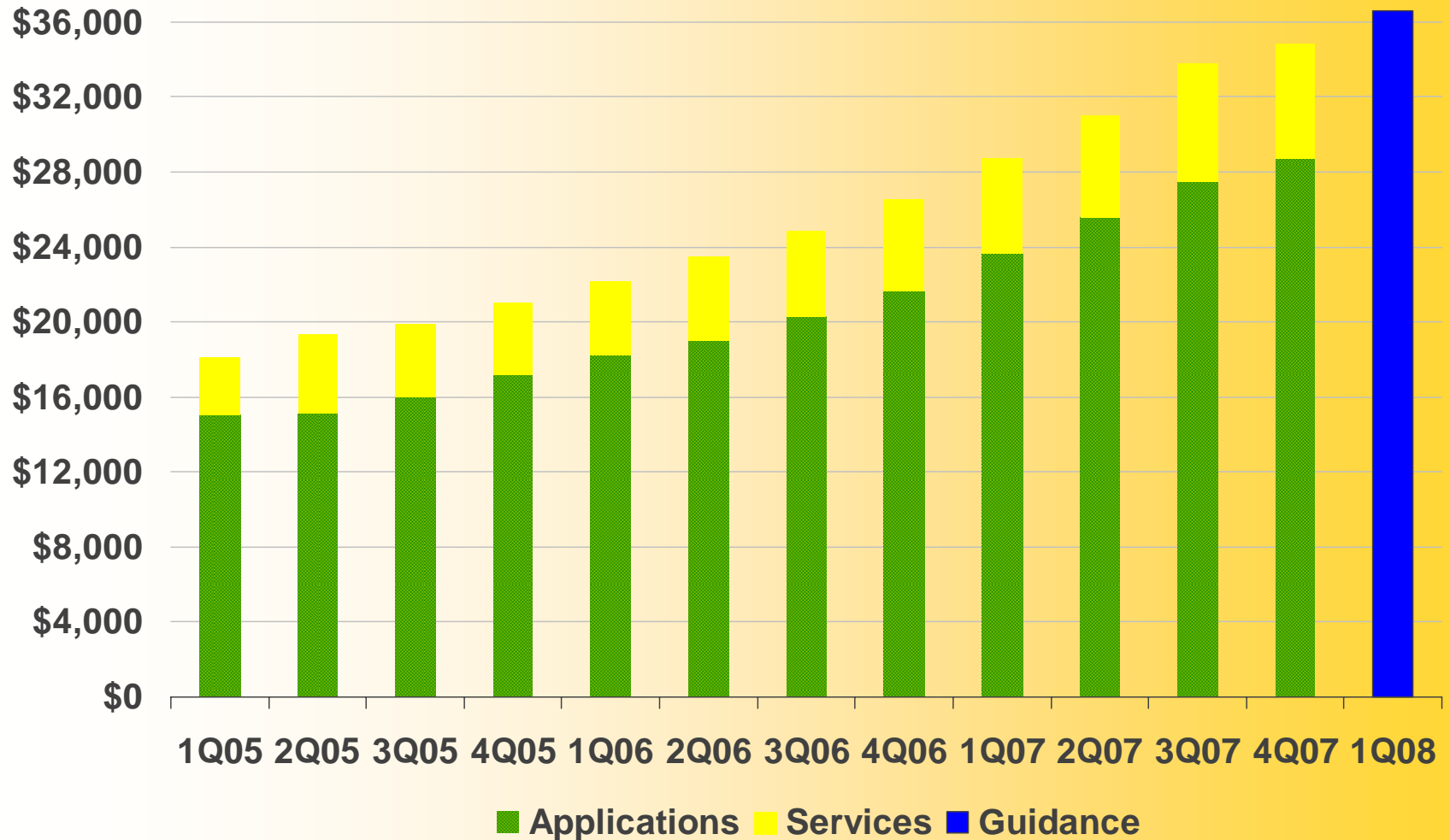
<i>\$ in millions, except per share data</i>	FY 2006 (Actual)	FY 2007 (Actual)	Y/Y % Change
Revenue mix			
Applications	\$79.1	\$105.1	32.9%
Consulting	\$17.9	\$22.8	27.4%
Total	\$97.0	\$127.9	31.9%
Gross Profit			
Gross Profit	\$64.9	\$87.3	34.5%
GM %	66.9%	68.2%	
Operating Income			
Op. Inc.	(\$5.5)	\$3.7	NMF
OM %	- 5.7%	2.9%	
Net Income			
GAAP NI	(\$2.6)	\$3.9	NMF
GAAP EPS	(\$0.13)	\$0.14	NMF
Net Income			
Pro forma NI	\$2.9	\$13.5	466%
Pro forma EPS	\$0.11	\$0.47	427%

Strong Revenue Track Record



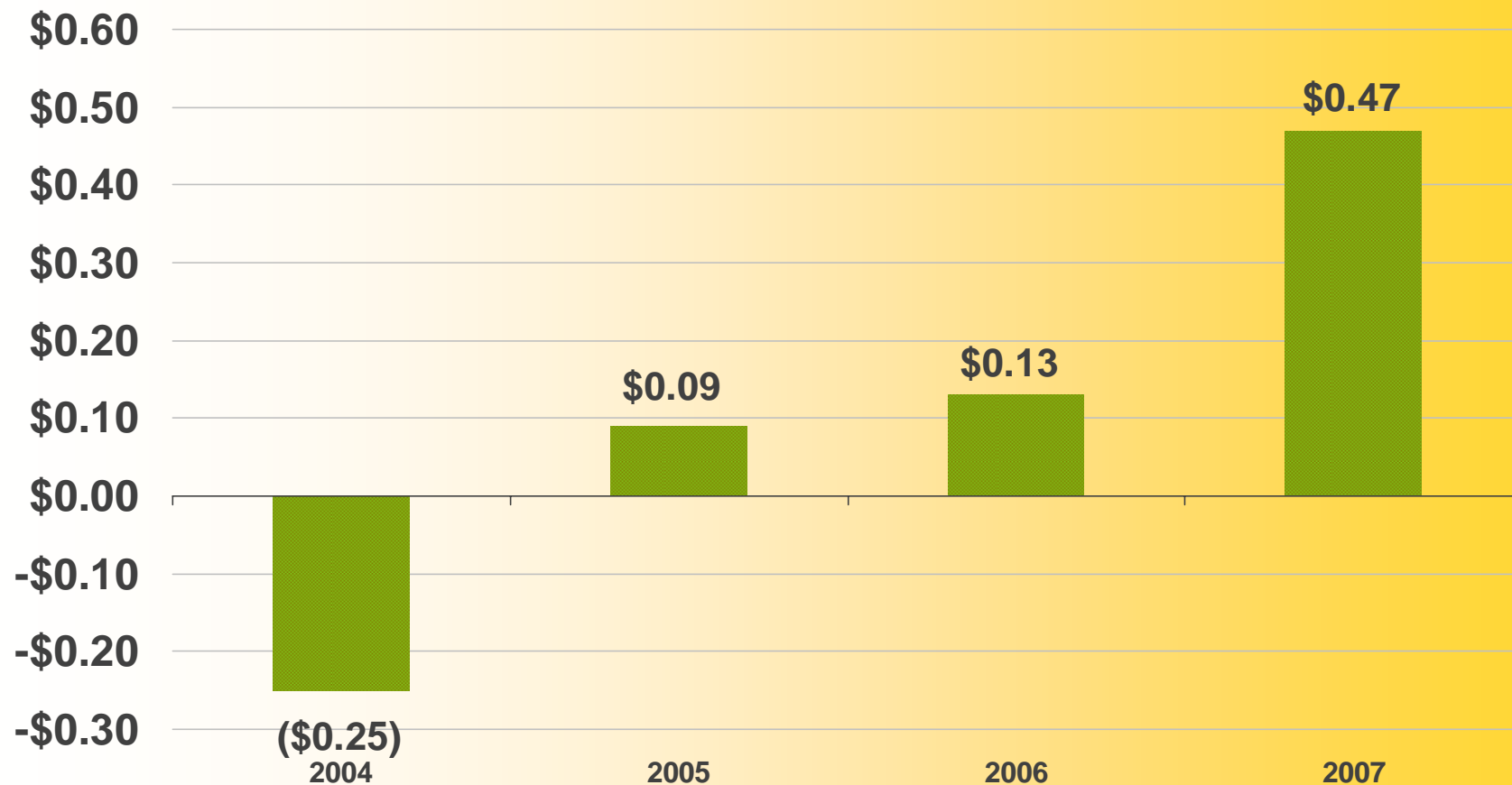
Quarterly Revenue Track Record

(\$ in 000s)

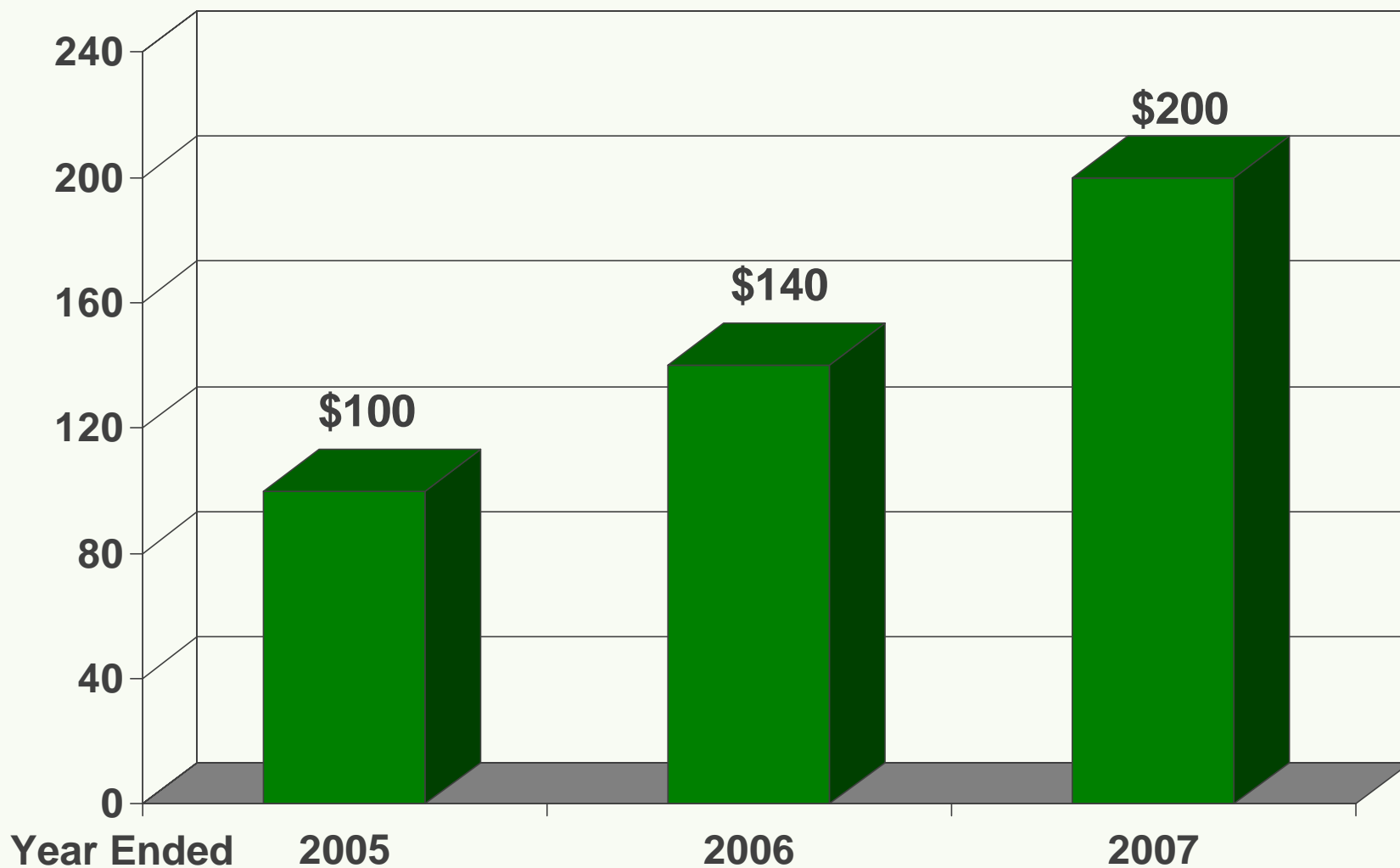


Improving Profitability

Non-GAAP EPS



Application Backlog (\$ millions)



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Rapid growth in revenue and profitability

