the asp with esp

Dan Ackermann Amy Adams Justin Adkins Fareed Ahmad Michelle Akens Jennifer Allen Scott Alred Marti Andrew Mike Andrews Louis Antonopoulos Kat Ashford Gina Avery Mark Axe Vivien Aye Doug Baalmann E.J. Bantz Brenda Barbieri Genny Barco Jim Barker Mary Barnett Kate Beckmann Erin Behan Becky Behan Robert Bell Helen Bendyk Joe Benson Martin Bertolino Brian Bolle Rich Borgschulte Shawn Bower Darla Bowyer Pat Brassil Kelly Brechman Jeff Breneman Lynne Bright Mike Brown Ronnie Bryant Tom Bunda Angie Burkemper Melissa Burks Ellie Burr Stephen Byrd Jim Canfield Bill Canfield Dan Carnesciali Laura Ceretti Ed Chaffin David Charles Shuma Chaudhuri Jim Clarke Gerry Claunch Mike Cohan Craig Cohen Terri Coleman Betty Combs Brett Cox Jan Crane Dennis Crook John Cuba ***extraordinary*** Linda Currier Joyce Dear Gene DeBons Mike DeGeorge Mark Detering Carroll Dick Mike Dietrich Sarah Ditterline Jon Doolin Pat Dorsey Karen Drew Mike Dudley Jon Duncan Jerry Dunn Phyllis Dunn Alex Dyachenko Norma Eckelkamp Janette Edgecombe Rich Elder Mila Elperina Linda Ensor Andy Eshbaugh Christine Estaque Craig Farrell Candy Fink Timothy Finnell Tim Flanagan Greg Fleischer Kelly Fogarty John Foley Connie Fondren Janet Ford Dave Fowler Ron Francois Mike Fuchs Bryan Garcia Steve Getz Joel Godwin Gerry Goeke Mark Grandau Sandra Grant L. Keith Graves Greg Greer Gary Gremminger Dean Gryder Trudy Guinther Linda Hagans Pat Hall Karla Hangsleben Jean Harmer Brandon Harris Teddy Hart Kristin Harty Jerry Harvey Jay Hathaway Richard Hauser-Rapp Joe Huff Bonnie Hess Rosie Holloway Andy Horton Don Howell John Hrenko Callie Hughes Jim Hunziker Frank Ingold Adam Jansen Fenghua Ji Charlie Jia Jack Johnson Matt Johnson James Jordan Sudhir Kalavagunta Emily Kassen Don Kehr Doug Kennedy Reid Kirby Heather Kloth Jeff Knott Paul Kooistra Connie Kreienheder Sergey Kucherov Mark Kuszajewski Jeff Kyker Bev Lakebrink ***service*** Candice Lallinger Jim League Terry LeBlanc Vicki Lederman Jessica LeRoi Julie Lindsay Andrea Liszewski Rick Lively Lew Lucarelli Abha Lunia Rob Mahn Gayle Malone John Mann Jen Marble Sandy Marshall Alice Mayer Karen McCartney Pat McCormack Jim McDonnell Amy McDonough John McReynolds Tim Meeker Joe Mercer Debbie Meyerpeter Marlene Minaeff Rob Montgomery Ryan Moore Danielle Mueller Mary Jo Mueller Mike Murray Tom Murrell Carlisa Nelson Mark Neumann Cathy Noel Shane Nunn Dominic Orlando Carmelita Palmer Elizabeth Paris Gregory Peterson Jeff Pierson Susan Plag David Plocek Mark Porter Stacey Pratt Wade Price Jim Rabb Ramesh Rana Doug Rawls J.R. Reardon Jim Riley Leslie Roark David Robinson Matthijs Roeleveld Tom Romack Lina Romero Laura Rood Cari Safstrom Todd Schilling Chris Schmidt Richard Schrader Scott Schrader Cheri Schulte Linda Schweighofer Donna Seevers Karin Seymour Susan Shanfeld Riley Shearin Alan Shearon Scott Sherwin Tim Simmons ***professionals*** Stacey Simpson Jeri Sims Suraj Singh Doug Smith Mike Smith Joanne Sparks Carol Steinhauer Lori Stewart Brad Stockmann Richard Stout Megan Sullivan Ron Tate Bill Thimiogianis Marnee Torchia Michael Townsel Nancy Trumble Danny Underwood Amy Vanessendelft Gayathri Venkatesh Greg Volner Behnaz Wafapoor Bob Wagoner Joseph Warren Sherina Watts Gail Webb Gary Webster Bill Welch Barb Welker Gary Wendt Tom Werner Jeff White Alison Whitelaw David Whitt Barry Whittington Kim Widmer Deb Wieseman Steve Wiles Loretta Wilga John Williams LaDonna Williams Steve Williams John Williamson Sue Wiseman Bette Wood Steve Woodrow David Worlitz Jamie Wottowa Tracey Yamamoto Mike Zerwig Baohua Zheng Karen Zienta

2000 Annual Report

TALX

exceptional, solid performance:

TALX Corporation delivers electronic employee services for the human resources, benefits and payroll markets. Our customers primarily are Fortune 500 companies, large government agencies and other large employers. In the business-to-business market, we provide solutions that assure our clients of the highest levels of operating efficiency, accuracy and security. TALX Corporation's common stock trades on the Nasdaq Stock Market® under the symbol TALX.

TALX® and The Work Number® *are registered trademarks of the Company. TALXWare is a trademark of the Company. This annual report also includes references to trademarks and tradenames of other companies.*

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TALX @ a glance

Market Focus

TALX Corporation is a leading application service provider (ASP) for human resources, benefits and payroll employee services. The market recognizes TALX as **the ASP with eSP – extraordinary service professionals redefining employee services.**

Market Leadership

TALX features two premier applications, *The Work Number*,® which is America's leader in automated employment and income verification, and a comprehensive end-to-end benefits enrollment solution.

Strategic Approach

As extraordinary service professionals, we deploy outstanding employee-centered solutions, utilizing Web, interactive voice response, speech recognition, fax, e-mail and other technologies. The relationships that develop from our solutions build recurring business for TALX, enhancing the visibility of its revenue stream and its ability to manage costs.

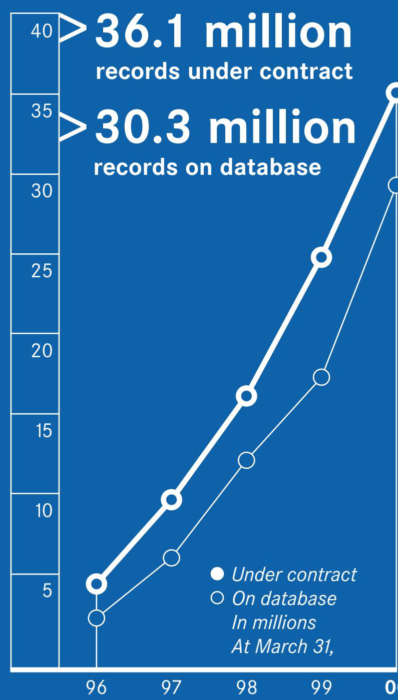
Strong Financial Performance

Strategic management and market leadership deliver excellent financial performance. Record revenues coupled with conscientious cost control produced healthy cash flow and record operating earnings in fiscal 2000.

(In thousands, except per share data) March 31,	**2000**	1999	%change
Revenues:			
The Work Number	**$ 12,328**	$ 9,109	35%
Application services	**7,993**	5,126	56%
Customer premises systems	**10,835**	10,948	(1)%
Maintenance and support	**4,876**	4,920	(1)%
Total revenues	**$ 36,032**	$ 30,103	20%
Operating income	**$ 4,547**	$ 633	618%
Earnings from continuing operations	**$ 2,767**	$ 402	588%
Net earnings	**$ 2,884**	$ 402	617%
Per share:			
Earnings from continuing operations	**$ .49**	$ .07	600%
Gain from discontinued operations	**.02**	–	*
Net earnings	**$ .51**	$ .07	628%
Shareholders' equity	**$ 23,308**	$20,095	16%
Cash flow from operations	**$ 8,396**	$ 2,159	288%

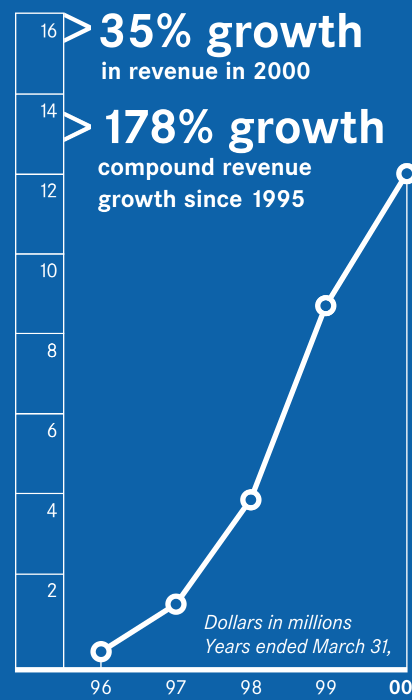
** Not meaningful*

excellent service potential:



Employment Record Statistics

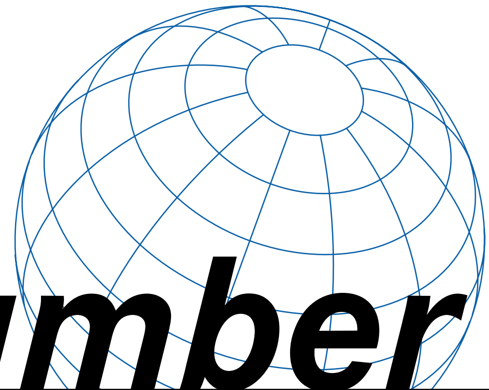
More than 30 million employment records resided on The Work Number *database at March 31, 2000, an increase of 66 percent over the previous fiscal year-end. A backlog of almost 6 million more records from new employer participants is in the process of conversion to live records, which will add to* The Work Number*'s impressive momentum.*



The Work Number *Revenue Growth*

Substantial revenue growth attests to The Work Number*'s value to mortgage lenders and others needing to verify employment information. Fees are generated when verifiers access the database.* The Work Number*'s growth comes primarily from two sources – more records on the database and a broader variety of verifiers taking advantage of the service.*

"The Work Number is a tremendous example of turning a unique idea into a core business line. Moreover, because of it, TALX has a legacy of innovation, application and market savvy. That's a great environment in which to work and to create." *– William W. Canfield, President, CEO, Chairman of the Board*



The Work Number

Long before American industry embraced ASP and B2B, TALX solidified its position as an application service provider in the business-to-business market with* The Work Number *– a fast, easy, accurate solution to the challenge of verifying employment and income information.

What it does > At large companies, one or more clerks can be kept busy just answering queries from lenders and pre-employment screeners verifying information provided by employees on their applications. The solution: automate the verification process, applying the web and interactive voice response technologies.

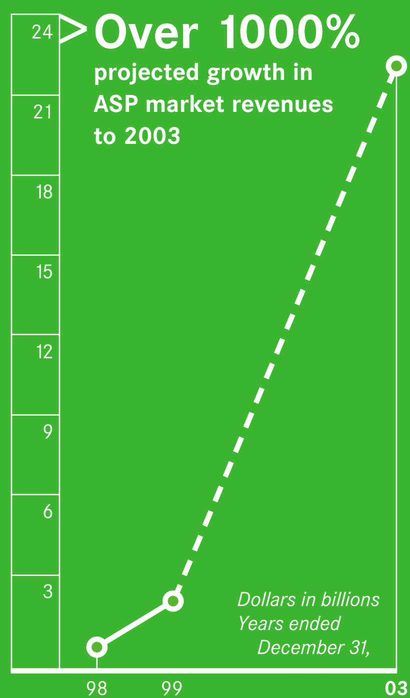
TALX already had the most sophisticated self-service technology available in its benefits enrollment service. The next step was to combine payroll information from numerous employers to give verifiers appropriate access but remove the individual employers from the process, thereby saving them time and clerical expense. Employers send TALX current payroll information each pay period, to ensure that the database is always up-to-date. Only verifiers with passwords from participating employees can access income information from the database, and they can check only specific information related to the application.

Market leadership > No similar service has *The Work Number*'s scope. Its competition is limited to several smaller providers of automated verifications and a number of large companies' automated in-house processes for their own employees.

Growth potential > TALX estimates it has 80 percent of the automated employment verification market. But that hardly means *The Work Number* is bumping up against its limits. There's still tremendous growth opportunity. *The Work Number*'s database includes only about 25 percent of the realistic potential market, which excludes agriculture employees and self-employed persons.

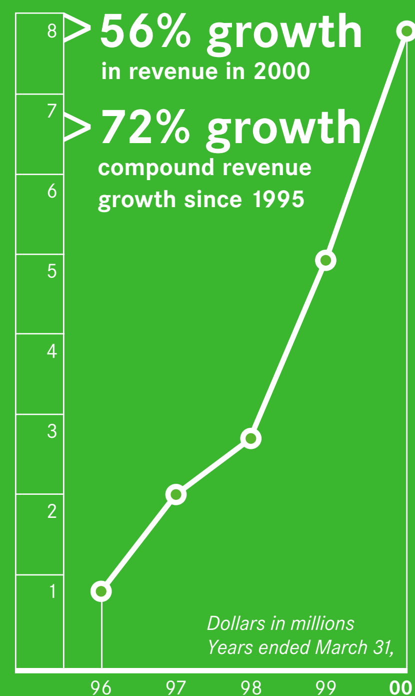
The Work Number also will grow by expanding its usefulness. TALX recently introduced Confirmation eXpress, which serves large information service providers, who don't need specific income amounts but do need to verify that the information the applicant provided is within certain parameters. For example, an auto financing provider might submit a list of credit applicants, asking *The Work Number* whether the income figures the buyers provided are within a specified range. Since the requests run on a batch basis, Confirmation eXpress can access the database outside normal business hours, when demand for *The Work Number* is lower. It's a useful service for the verifier and an efficient additional use of *The Work Number*'s outstanding resources.

executing strategic plans:



Projected Growth of ASP Market

Industry analysts see tremendous ASP market growth potential as providers increasingly combine infrastructure, implementation and management services to deliver total solutions for ASP clients. While TALX participates in only a niche of the total ASP market, the trends are indicative of potential growth opportunities. (Source: GartnerGroup's Dataquest)



Application Services Revenue Growth

The trend toward outsourcing human resources applications fuels momentum at TALX's application services line of business. Fiscal 2000 revenues increased 56 percent over the previous year, and the business had a healthy backlog going into 2001. Application services plays a key role in TALX's strategic emphasis on businesses that produce recurring revenues.

"The phrase 'The ASP with eSP' fits us well. TALX was a leading application service provider before 'ASP' became common, and we've always approached the market as service professionals. Extraordinary? That's TALX every day." *– Mike Smith, Vice President*

our markets

TALX has identified its strike zone: its market is employee-centered human resources and payroll functions that can be efficiently delivered through an ASP model. Premier applications include benefits enrollment and employment and salary verification.

Organizations that benefit the most from TALX services are the ones that employ 5,000 or more people. For these organizations, routine HR, payroll and benefit processes are most often handled manually at a high cost. TALX ASP-based employee services automate and simplify these routine processes, which results in a streamlined process that is much lower in costs and offers higher levels of employee service.

Based on technology changes and the outsourcing business trend, delivering enterprise business applications through the ASP model is growing in popularity and effectiveness. GartnerGroup's Dataquest projects the worldwide market for ASP services will grow from $2.7 billion in 1999 to over $22.7 billion in 2003. In addition, Dataquest projects the overall market for Human Resources outsourcing to grow from $13.9 billion in 1999 to $37.7 billion in 2003.

Dataquest indicates that this strong growth in HR outsourcing is the result of HR staff reductions despite the increasing strategic importance of HR functions.

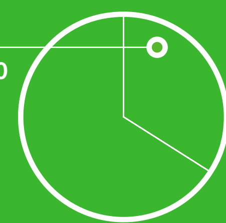
TALX best-of-class employee services, while only a subset of the total ASP market, matches well with these GartnerGroup projected trends in IT services and HR business process outsourcing. To meet market demands, TALX has developed direct sales teams to bring its growing collection of employee services to market. The final solution delivered to clients is personalized to meet exact client needs.

With a strong base of clients for *The Work Number* and its benefits enrollment services, TALX has established clients that are in position to take advantage of additional TALX-provided services. The ASP model that TALX employs enables TALX services to be fully integrated. Clients can then select the mix of services and technologies to offer their users. For example, a client can first select TALX for its annual benefits enrollment services and then expand in subsequent years to offer enrollment services for newly hired employees as well as ongoing life events that affect employee benefits options.

TALX success in the marketplace is a product of a keen market focus and the development of extraordinary service professionals to deliver exceptional services.

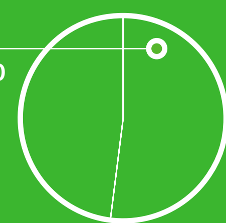
34%

of all Fortune 500 companies are served by TALX.



52%

of all Fortune 100 companies are served by TALX.



TALX employee services are selected by many of America's leading employers.

experienced, smart people:


1


2


3


4


5


6

"TALX continues to attract and develop top-notch professionals. We have built an extraordinary team that focuses on clients' needs, bringing both know-how and technology to solve their problems." *– Craig N. Cohen, CFO and Vice President, Application Services and Software*

our company **culture**

TALX values technology – as a source of solutions for human resources clients who are intent on delivering efficient, accurate, time-saving processes for their employees. As a result, the culture of TALX has developed around core principles of customer service and innovative problem-solving. That's made TALX the ASP with eSP.

7

8

How we're organized > Two key concepts shape how TALX is managed: entrepreneurial thinking and a team approach to markets and client service.

More and more, clients seek out relationships that bundle infrastructure, implementation and management services. That full-service emphasis has helped TALX become a partner with more than half the Fortune 100 companies and more than one-third of the Fortune 500.

Ahead of the curve > The fact that TALX's managers spend a substantial portion of their time with clients, coupled with our strategic emphasis on including outsourcing, applications and software in our business mix, means we're well attuned to industry trends.

We were well positioned to enhance *The Work Number* and application services with efficient Web capabilities as online capabilities exploded from curiosity to commercial necessity. In the first year after verifiers could access *The Work Number*'s database via the Web, 10 percent of inquiries were made online – during a period when the number of records increased by almost 5 million. It's a great tribute to TALX's people, who seamlessly blended the new technology into *The Work Number* process.

9

The appetite for information technology shows no sign of slowing. Businesses quickly are applying networked solutions to data flow, customer management, electronic commerce and so on. Additionally, rapid advances in technology are making complex networks more feasible for medium-sized and then smaller businesses.

Success in this exciting, quick-paced market depends on state-of-the-art technology, integrated solutions across multiple human resources processes, and end-to-end solutions. That's all in a day's work for the extraordinary service professionals at TALX.

10

*1 > **Joyce M. Dear**, Director of ASP Operations*
*2 > **David C. Fowler**, Director of Product Management*
*3 > **Bryan D. Garcia**, Director of Product Development and Chief Technologist*
*4 > **L. Keith Graves**, Director of Finance, Controller*
*5 > **Donald R. Kehr**, Director of Sales – Western Region*
*6 > **Douglas M. Kennedy**, Director of* The Work Number *Business Development*
*7 > **Ronald D. Tate**, Director of Sales*
*8 > **Thomas C. Werner**, Director, General Counsel*
*9 > **Barry R. Whittington**, Director of* The Work Number *Operations*
*10 > **John F. Williamson**, Director of* The Work Number *Account Management and Human Resources*

to our **shareholders**:

Today's business environment embraces technology, focuses on efficiency and adapts readily to value-added automated services. That kind of environment matches TALX's strengths as the clearly established leader in automated employment and salary verification.

William W. Canfield
President, Chief Executive Officer
and Chairman of the Board

Said another way, using popular acronyms of the day, in fiscal 2000 TALX Corporation reaffirmed our focus as a leading B2B (business-to-business) ASP (application service provider) of self-service, transaction-based solutions in the human resources, employee benefits and payroll markets.

Our effective self-service software, innovative solutions for our clients and results-oriented corporate culture delivered excellent financial results in fiscal 2000. We ended the year with record revenues and operating earnings, strong cash flow and a solid balance sheet. Overall, it was a successful year and, more importantly, a catalyst for continuing growth and profitability.

As shareholders of long standing are well aware, TALX's core function is applying technology in the workplace to ensure that routine tasks are done accurately, efficiently and cost-effectively. Our focus is on human resources applications, a vast market when you consider that tens of millions of people work at U.S. Fortune 500 companies alone.

It's a market we know well through providing end–to–end benefits enrollment solutions. That familiarity launched TALX's proprietary signature product, *The Work Number*®, an automated system used by lenders and other verifiers to verify employment and income information on credit applications. Especially for companies with tens of thousands of employees, those requests are routine and frequent, and handling them represents a time-consuming and costly necessity.

The needs and responses I have just described speak to the core of TALX. We understand technology and how to apply it to everyday business situations. We are innovators with a solid track record. We manage a profit-driven, technology-based company that participates in a segment of a business-to-business market that some experts predict will top $3 trillion by 2003. With these strengths, we are confident that TALX is well positioned for continuing growth.

At TALX we measure success in a number of ways. The traditional gauges of financial performance and market leadership are important to us. So are our ability to capitalize on opportunities and what we do to develop the talent of our people. Let's take a look at how TALX performed against these measures in fiscal 2000.

TALX Success as Measured by Financial Performance

We earned $2.8 million, or $.49 cents per diluted share, from continuing operations for the year ended March 31, 2000, a nearly fourfold increase over the prior fiscal year's $714,000, or $0.13 per share, excluding a one-time restructuring charge. That substantial earnings per share growth was generated on revenue growth of 20 percent, to $36.0 million from the year-ago $30.1 million.

Strong growth in application services – formerly called outsourced services – and *The Work Number* fueled the dramatic improvement in earnings, while our software business, which combines the revenue lines of customer premises systems and maintenance and support, remained relatively stable year over year. Revenues of application services climbed 56 percent to $8.0 million and *The Work Number*, 35 percent to $12.3 million.

These trends are likely to remain in place as our business plan continues to focus on growth in application services and *The Work Number*, our two primary sources of recurring revenues and market leadership.

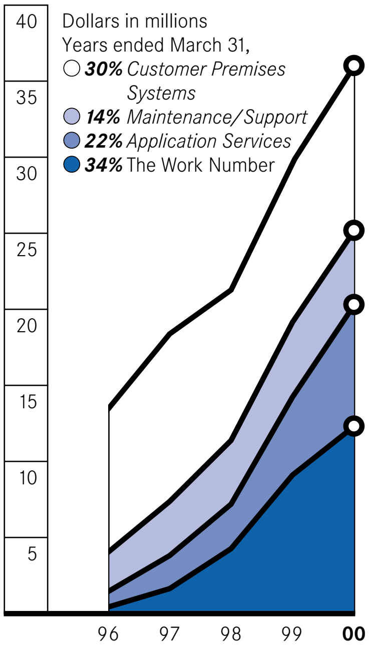
Any way you examine it, TALX's financial performance improved in fiscal 2000. Here are some key indicators.

- **Recurring revenues** – generated in our transaction-based lines of business and critical in giving us the kind of visibility against which we can best manage costs – increased to 70 percent of total revenues in fiscal 2000. That's the reverse of four years earlier, when recurring revenues represented only 30 percent of the total.

- **The gross margin** increased 7.1 percentage points to 44.2 percent for application services and 2.2 percentage points to 67.8 percent for *The Work Number*.

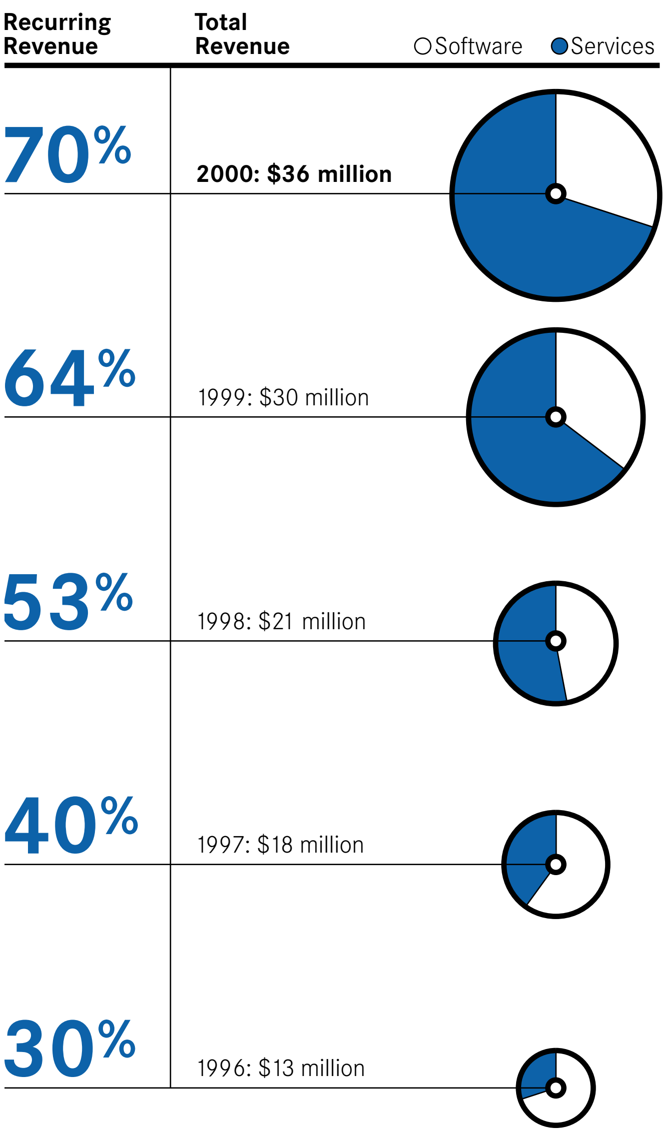
- **Cash and short-term investments** at fiscal year-end improved to $6.3 million at March 31, 2000, from the year-earlier $267,000, significantly adding to our flexibility in investing in the company's growth.

Revenue Mix
Application services, which handles outsourced human resources functions, and The Work Number*, the national automated employment verification service, are TALX's fastest-growing lines of business. Software and maintenance and support, although becoming smaller portions of the revenue mix, play a key strategic role in advancing technology that can be applied across TALX's businesses.*



Revenue Growth

The success of TALX's strategic decision to put additional resources behind the business lines that deliver more predictable revenue streams is evident in the dramatic shift in revenue sources. The Work Number*, application services and maintenance and support now account for 70 percent of total revenues. Not only is that the reverse of revenue sources in fiscal 1996 but it also occurred during a period in which total revenues almost tripled.*



- **Operations generated cash flow** of $8.4 million for the year, half of which reflected fourth-quarter activities – strong momentum for the new fiscal year.

- **Our current ratio** was 3.7 to 1 at March 31, 2000, compared with 2.9 to 1 a year earlier.

Fiscal 2000's results benefited from our conscious effort to adjust the cost structure of our business when trends began pointing to slower growth in software sales and a shift from premise-based solutions to outsourcing. Not only did *The Work Number* and application services produce our revenue gains last year, but also selling, general and administrative expenses increased only $100,000 compared with the prior year, even as revenues rose almost $6 million.

Although software's year-over-year financial performance is essentially flat, that line of business remains a key component of our strategic business plan. Whether we license software for on-premise installations or implement an ASP model for our clients, we are intricately involved in software and how it is used. In effect, then, the software business is a well controlled laboratory for new developments, particularly within our human resources specialty. We meet our clients' needs whether new developments are put in effect on their premises, or through our ASP services.

Moreover, maintenance and support provides a consistent link to our customers and the business problems they need to solve. It also generates recurring revenues, a good fit with our emphasis on building visibility into our revenue stream to help us manage costs more effectively.

After fiscal 1999's significant investments in property and equipment and software, we undertook a thorough review of capital expenditures last year. Capital expenditures in fiscal

2000 amounted to $880,000 compared with $3.4 million the previous year. We decreased the balance of capitalized software development cost by 12 percent.

With the anticipated strong cash flow from operations and a $5 million line of credit, we are well positioned to fund continued growth.

TALX Success as Measured by Market Leadership

The Work Number is the nation's clear-cut leader in automated employment and salary verification. With 30.3 million employment records on the database and a total of 36.1 million records under contract, *The Work Number* serves approximately 25 percent of the employed U.S. workforce.

The foundation for its leadership is its track record of accuracy, confidentiality, quick response and cost effectiveness. These attributes and the size of our database provide a competitive edge for TALX. We continue to manage that business aggressively, knowing full well that in delivering a service, you are only as good as how well you handled the last transaction.

Mortgage lenders' demand for salary verifications slowed during the year as rising interest rates gave home buyers and refinancers reason to pause. However, less activity on that front was offset by other users of *The Work Number* data, such as other government entities needing proof of salary and employment, pre-employment screening services and tenant screening services.

In fiscal 2000 we introduced Confirmation eXpress, a new feature of *The Work Number* which provides large information service providers with the ability to receive income confirmation in a more automated fashion. We can run these authorized requests in high volume, and the cost to our clients reflects that efficiency. Most importantly, however, is that the information provided matches our clients' business needs, another example of TALX's ability to understand the business challenge and provide the appropriate solution.

While *The Work Number*'s market leadership is well-established, TALX's application services business increasingly is earning its own market leadership position, with our focus on providing both interactive Web and interactive voice response employee self-service capabilities. Recognizing our core ASP capabilities increased our customer list for those applications by one-third during fiscal 2000. More than 40 of America's leading corporations now outsource key human resources applications to TALX.

TALX Success as Measured by Opportunities to Expand

The Work Number database has tremendous value today, and it will continue to grow. We originally positioned it as a service for the residential mortgage credit marketplace – which continues to generate a substantial number of verification transactions – and now we're expanding its usefulness to other employment and income verification applications. Confirmation eXpress, as we have seen, recognizes an emerging trend for large information service providers to request volume verifications.

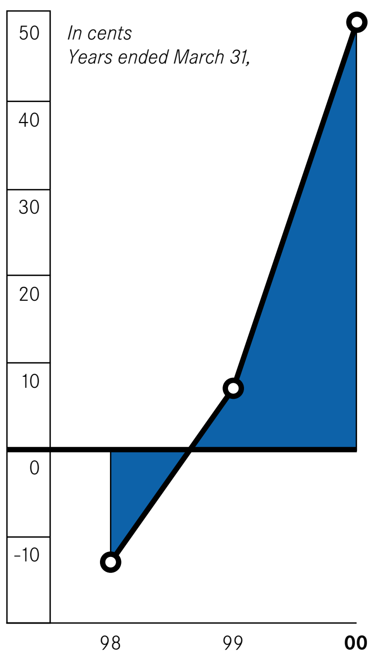
With the advent of the ASP model, the outsourcing trend is such that we anticipate further growth in application services as well. Benefit enrollment remains the key area of activity for that line of business. We've also made inroads in providing benefit enrollment for newly hired employees and changes during the year necessitated by employees' family status changes. Those situations are less time-intensive than the annual benefits enrollment process, but at large companies they are continuous, which means an automated process is often a cost-effective option.

Typically TALX has depended on internal growth to achieve overall strategic targets. The increased flexibility that comes from our improved cash flow, completion of the sale of discontinued operations, our existing line of credit and our recent stock price encourage us to entertain the possibility of acquisitions. No candidates have been identified, but in any such considerations, we expect to stay within our "strike zone" – acquisitions must fit our core businesses. With that approach not only would we be able to expand our capabilities, but the acquisitions also would be more likely to assimilate well with the client-oriented, technology-supported, efficiency-minded TALX culture.

TALX Success as Measured by Our People

As we restructured our business during fiscal 1999, many of our managers assumed new or expanded responsibilities. The results have been outstanding. Our people embraced their new roles and executed the company's plan. Investors can see the results in terms of improved financial performance and the resulting higher stock price.

Earnings Per Share
Strong top-line growth and diligent cost control have had a dramatic impact on TALX's recent performance. Earnings from continuing operations increased sevenfold in fiscal 2000 over the prior year. Major contributors to the positive earnings trend were the 20 percent increase in revenues; essentially flat selling, general and administrative expenses despite $6 million additional revenues, and a two-percentage-point improvement in the gross margin to 49.5 percent.



In the preceding pages, you've had an opportunity to become acquainted with several key managers at TALX. As you can see from their titles, we concentrate on the functions related to how our clients interact with TALX. We deliver client–focused solutions, of which the core element is an automated, technology-based process. We are organized to meet our clients' needs and maintain our competitive edge in markets that we believe are not only expanding, but also constantly generating new challenges.

TALX Positioned for Continuing Success

The sense of success and opportunity is clear at TALX as we survey our market, the services we offer clients, our strategic direction and our financial condition. We think we are well positioned for growth, and we have the energy and "fire in the belly" to achieve our goals.

In *The Work Number*, which already is America's leader in automated employment and income verification via the Web and interactive voice response, we continue to explore ways to increase its utility. We evaluate opportunities against two primary considerations. The first is to increase the number of records on *The Work Number* database. The 12 million records added during fiscal 2000 were almost double the total number of records in the database just two years earlier. The second imperative for *The Work Number* growth is to increase use of the database, by targeting and developing new users of the data. Confirmation eXpress is one of the ways to achieve that goal.

TALX also is developing additional distribution channels. *The Work Number* has expanded beyond its initial orientation toward mortgage lenders to support other large processors of employment and salary information without compromising its emphasis on data security. Our marketing efforts continue to target primarily Fortune 500 companies, but increasingly we are evaluating potential joint ventures and marketing arrangements with other leaders in the human resources industry, especially those who have regular contact with mid-size businesses.

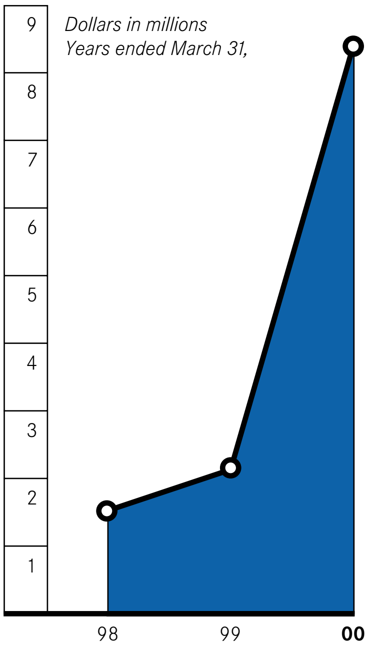
Application services operates in a large and fragmented market, which gives us tremendous opportunities but also challenges us to understand the niches in which we can operate most effectively and then target our marketing efforts appropriately. Our 33 percent growth in application services' blue-chip client roster during fiscal 2000 resulted from just that kind of analysis. Not only did we add substantial new clients but we also took significant steps to expand our service beyond annual employee benefits enrollment to support new hire enrollments, primary care physician selection, time reporting, employee stock purchase plan participation and other human resources, benefits and payroll applications.

Over the past two years, we have invested heavily in Web server infrastructure, computer and telephony capacity, improved back-up power, redundancy and other support for both *The Work Number* and application services to protect the availability and security of our databases. We expect to continue to invest in our business to produce further growth, through new products as well as potential acquisitions.

Our software business forms the core of our technology platform and we have maintained a strong client base as we have driven the growth in our transaction-based lines of business. We have an open software development platform for efficient Web and interactive voice response development that interfaces with open hardware platforms.

Our culture embraces both challenge and change. The employees of TALX have heard me talk a lot about our strike zone in recent months. It's an apt metaphor for the strategic path TALX has embraced. We know what we do best, but there's also room for judgment calls based on experience and perspective.

Cash Flow
Cash generated by operations amounted to $8.4 million for all of fiscal 2000, with nearly half of that amount generated in the fiscal fourth quarter, an indicator of strong business momentum going into the new fiscal year. Improved cash flow helps strengthen TALX's balance sheet and expands opportunities to build the business both internally and through acquisitions.



I'm proud of TALX's accomplishment in fiscal 2000 and especially energized as I look toward the future. I would like to thank our employees and directors for their commitment, and our clients and business partners for making TALX an exciting and innovative company now and in the future. We appreciate the ongoing interest and support of our shareholders as we continue to build value at TALX.

William W. Canfield
President, Chief Executive Officer
and Chairman of the Board
June 23, 2000

Selected Consolidated Financial Data

(In thousands, except share and per share data)

The information set forth below should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations," the Consolidated Financial Statements, and the notes thereto.

	Years ended March 31,				
Statement of Operations Data:	**2000**	1999	1998	1997	1996
Revenues:					
The Work Number	**$ 12,328**	$ 9,109	$ 4,270	$ 1,642	$ 453
Application services	**7,993**	5,126	2,925	2,173	998
Customer premises systems	**10,835**	10,948	9,886	11,013	9,442
Maintenance and support	**4,876**	4,920	4,192	3,559	2,624
Total revenues	**36,032**	30,103	21,273	18,387	13,517
Cost of revenues:					
The Work Number	**3,973**	3,138	1,807	678	429
Application services	**4,460**	3,225	2,010	941	493
Customer premises systems	**8,388**	7,874	5,967	5,560	4,489
Maintenance and support	**1,367**	1,545	1,325	1,025	619
Total cost of revenues	**18,188**	15,782	11,109	8,204	6,030
Gross margin	**17,844**	14,321	10,164	10,183	7,487
Operating expenses					
Selling and marketing	**7,820**	8,339	7,952	5,902	4,084
General and administrative	**5,477**	4,853	3,496	2,613	2,828
Restructuring charge	**–**	496	–	–	–
Total operating expenses	**13,297**	13,688	11,448	8,515	6,912
Operating income (loss)	**$ 4,547**	$ 633	$ (1,284)	$ 1,668	$ 575
Earnings (loss) from continuing operations	**$ 2,767**	$ 402	$ (710)	$ 793	$ 123
Loss from discontinued operations, net	**$ –**	$ –	$ –	$ (164)	$ (703)
Gain (loss) on disposal of discontinued operations, net	**$ 117**	$ –	$ (374)	$ (900)	$ –
Extraordinary item	**$ –**	$ –	$ –	$ (971)	$ –
Net earnings (loss)	**$ 2,884**	$ 402	$ (1,084)	$ (1,242)	$ (580)
Basic earnings (loss) per share[1]:					
Earnings (loss) from continuing operations	**$ .50**	$ .07	$ (.13)	$ .18	$ .04
Gain (loss) from discontinued operations, net	**.02**	–	(.07)	(.25)	(.21)
Extraordinary item	**–**	–	–	(.22)	–
Net earnings (loss)	**$ .52**	$ .07	$ (.20)	$ (.29)	$ (.17)
Diluted earnings (loss) per share[1]:					
Earnings (loss) from continuing operations	**$ .49**	$ .07	$ (.13)	$ .18	$ .04
Gain (loss) from discontinued operations, net	**.02**	–	(.07)	(.25)	(.21)
Extraordinary item	**–**	–	–	(.22)	–
Net earnings (loss)	**$ .51**	$ .07	$ (.20)	$ (.29)	$ (.17)
Weighted average number of shares outstanding – basic[1]	**5,559,972**	5,401,345	5,291,381	4,150,404	3,228,670
Weighted average number of shares outstanding – diluted[1]	**5,657,612**	5,519,435	5,291,381	4,150,404	3,228,670
Balance Sheet Data:					
Cash and short-term investments	**$ 6,291**	$ 267	$ 2,879	$ 5,801	$ 56
Working capital	**15,158**	8,316	9,079	13,351	(1,261)
Net assets of business held for sale	**–**	859	1,157	707	–
Total assets	**30,133**	24,564	24,121	24,072	15,844
Notes payable to bank	**–**	–	–	–	4,243
Current installments of long-term debt and obligations under capital leases	**–**	–	–	36	726
Long-term debt and obligations under capital leases, less current installments	**–**	–	–	–	630
Stockholders' equity	**23,308**	20,095	19,508	20,403	5,038

(1) Basic and diluted earnings (loss) per share have been computed using the number of shares of common stock and common stock options and warrants outstanding. The weighted average number of shares was based on common stock outstanding for basic earnings (loss) per share and common stock outstanding and common stock options and warrants for diluted earnings (loss) per share in periods when such common stock options and warrants are not antidilutive.

Cautionary Statement Regarding Forward-Looking Statements

This annual report contains certain statements regarding future results, performance, expectations, or intentions that may be considered forward looking statements ("forward looking statements") within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including without limitation, statements in the Letter to the Shareholders (pages 8-13), and Management's Discussion and Analysis of Financial Condition and Results of Operations (pages 15-20). These statements relate to, among other things, projected annual cost savings, business trends and prospects, potential future profitability, revenue growth and positive cash flows. All statements other than statements of historical facts included in the annual report are forward looking statements. Although the Company believes that the expectations reflected in such forward looking statements are reasonable, it can give no assurance that such expectations will prove to be correct. Actual results could differ materially from those projected in the forward looking statements as a result of risks facing the Company. Such risks include, but are not limited to, (1) the Company's ability to successfully market and expand *The Work Number®* and its other products and services, (2) intense competition in the interactive web and interactive voice response industry, (3) risk of interruption of computer network and telephone operations, (4) risks associated with rapid technological change and (5) risks associated with a lengthy sales cycle. See the Company's Form 10-K for a complete description of risk factors.

Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

The Company's revenues are derived from interactive Web, interactive voice response ("IVR"), computer telephony integration ("CTI") software and services, which consist of *The Work Number*, application services, the sale of customer premises systems, and maintenance and support services related to those systems.

Revenues derived from *The Work Number* include fees charged to mortgage lenders and other verifiers for verification of employment history, including the past three years of income history of participating employers' current and former employees, ongoing maintenance fees charged to employers and one-time conversion fees from new employers.

The Company's customer premises systems business provides interactive Web, IVR, CTI software and services that enable an organization's users to access, input and update information without human assistance. Prior to April 1, 1998, customer premises systems revenue was generally recognized upon shipment of the system. For all transactions entered into subsequent to April 1, 1998, the Company has adopted the American Institute of CPA's Statement of Position 97-2 ("SOP 97-2"). Under SOP 97-2, the Company recognizes hardware and software license revenue upon shipment. Revenues for customization services are recognized by the contract method of accounting using percentage of completion for larger, more complex systems and the completed contract method for smaller systems. Sales are effected through a direct sales force and in conjunction with strategic marketing alliances. The Company provides maintenance and support services with respect to installed customer premises systems. These services include a 24-hour per day, 7-day a week toll-free client service line. Revenues from maintenance and support are recognized ratably over the term of the maintenance agreement.

The Company's application services business provides interactive Web and interactive voice response services to organizations that choose not to purchase a customer premises system. The Company maintains a system on its premises that contains a customer database and receives incoming requests for access to the information. Revenues from application services include fees derived from establishment of the service and transaction-based fees.

In addition to providing software and services, the Company formerly provided database and document services. In August 1996, the Company determined to pursue the divestiture of the database and document services businesses and, accordingly, reflected the results of operations of such businesses as discontinued operations. In January 1997, the document services business was sold and in March 2000, the database services business was sold.

Results of Operations

The following table sets forth, for the periods indicated, certain items from the Company's consolidated statements of operations, expressed as a percentage of total revenues, and the percentage change in the dollar amount of such items compared to the prior comparable period.

				Percentage Increase (Decrease)	
	Years ended March 31,			Fiscal 2000 over Fiscal 1999	Fiscal 1999 over Fiscal 1998
Statements of Operations Data:	**2000**	1999	1998		
Revenues:					
The Work Number	**34.2%**	30.3%	20.0%	35.3%	113.3%
Application services	**22.2**	17.0	13.8	55.9	75.2
Customer premises systems	**30.1**	36.4	46.5	(1.0)	10.7
Maintenance and support	**13.5**	16.3	19.7	(0.9)	17.4
Total revenues	**100.0**	100.0	100.0	19.7	41.5
Cost of revenues:					
The Work Number	**11.0**	10.4	8.5	26.6	73.7
Application services	**12.4**	10.7	9.5	38.3	60.4
Customer premises systems	**23.3**	26.2	28.0	6.5	32.0
Maintenance and support	**3.8**	5.1	6.2	(11.5)	16.6
Total cost of revenues	**50.5**	52.4	52.2	15.2	42.1
Gross margin	**49.5**	47.6	47.8	24.6	40.9
Operating expenses:					
Selling and marketing	**21.7**	27.8	37.4	(6.2)	4.9
General and administrative	**15.2**	16.1	16.4	12.9	38.8
Restructuring charge	**–**	1.6	–	(100.0)	*
Total operating expenses	**36.9**	45.5	53.8	(2.9)	19.6
Operating income (loss)	**12.6**	2.1	(6.0)	618.3	*
Other income (expense), net	**0.2**	–	0.7	925.0	(94.9)
Earnings (loss) from continuing operations before income tax expense (benefit)	**12.8**	2.1	(5.3)	622.2	*
Income tax expense (benefit)	**5.1**	0.8	(2.0)	679.1	*
Earnings (loss) from continuing operations	**7.7**	1.3	(3.3)	588.3	*
Discontinued operations, net	**0.3**	–	(1.8)	*	*
Net earnings (loss)	**8.0%**	1.3%	(5.1)%	617.4	*

**Not meaningful.*

Fiscal Years Ended March 31, 2000 and 1999

Revenues

Total revenues increased by 19.7%, from $30.1 million in fiscal 1999 to $36.0 million in fiscal 2000. Revenues from *The Work Number* increased by 35.3%, from $9.1 million in fiscal 1999 to $12.3 million in fiscal 2000, due to an increase in the number of employment records, and related transaction volume, on the system, the continued expansion of marketing on a nationwide basis and an increase in pricing during the period. During the third quarter of fiscal 2000, the Company entered into a contract to provide volume verifications from *The Work Number* database. The Company has not yet realized any meaningful revenue from this contract. Revenues from application services increased by 55.9%, from $5.1 million in fiscal 1999 to $8.0 million in fiscal 2000, due to the Company capitalizing on the trend of some corporations to outsource their non-core functions, and an increase in pricing during the current year. Revenues from customer premises systems decreased by 1.0%, from $10.9 million in fiscal 1999 to $10.8 million in fiscal 2000. This decrease was due to a shift in both the Company focus and the market from purchasing in-house systems to utilizing the Company's application services. Revenues from maintenance and support related to the customer premises systems remained consistent at $4.9 million for fiscal 1999 and 2000, reflecting the support provided to an increased installed base of customer premises systems, offset by the cancellation of maintenance on older product lines.

Cost of Revenues

Total cost of revenues increased by 15.2%, from $15.8 million in fiscal 1999 to $18.2 million in fiscal 2000. Cost of revenues from *The Work Number* increased 26.6%, from $3.1 million in fiscal 1999 to $4.0 million in fiscal 2000, due principally to the growth in revenues, offset by improved leveraging of personnel and infrastructure costs. Cost of revenues from application services increased by 38.3%, from $3.2 million in fiscal 1999 to $4.5 million in fiscal 2000. This increase in cost is attributable to the growth in new business discussed above. Cost of revenues did not increase at the same level as revenues, since a portion of the revenue growth was attributed to increased pricing, with no corresponding impact on cost. Cost of revenues from customer premises systems increased by 6.5%, from $7.9 million in fiscal 1999 to $8.4 million in fiscal 2000. This increase in costs is primarily attributable to an increase in fixed labor costs. Cost of revenues from maintenance and support related to customer premises systems decreased by 11.5%, from $1.5 million in fiscal 1999 to $1.4 million in fiscal 2000, due to improved leveraging of personnel costs and lower cost of hardware components.

Selling and Marketing Expenses

Selling and marketing expenses decreased 6.2% from $8.3 million in fiscal 1999 to $7.8 million in fiscal 2000. As a percentage of revenues, such expenses decreased from 27.8% in fiscal 1999 to 21.7% in fiscal 2000. These decreases reflect the impact of the Company's restructuring efforts during the third quarter of fiscal 1999. In conjunction with the reorganization, the Company reduced its workforce and closed certain regional sales offices.

General and Administrative Expenses

General and administrative expenses increased 12.9% from $4.9 million in fiscal 1999 to $5.5 million in fiscal 2000. As a percentage of revenues, such expenses decreased from 16.1% in fiscal 1999 to 15.2% in fiscal 2000. The increase in such expenses reflects the increased infrastructure costs of a growing business and workforce. The decrease in general and administrative expenses as a percentage of revenues is due to improved leveraging of infrastructure costs.

Restructuring Charge

During the third quarter of fiscal 1999, the Company reorganized its sales and delivery operations and refocused its product line related to its customer premises systems line of business. In conjunction with the reorganization, the Company reduced its workforce by approximately 8% and closed certain regional sales offices. As a result of these actions, the Company incurred restructuring charges of $318,000 related to employee severance costs and $178,000 of other costs.

Other Income (Expense), Net

Interest income increased 54.5% from $55,000 in fiscal 1999 to $85,000 in fiscal 2000. The increase is due to a higher average level of invested funds during the year. Interest expense decreased 93.0% from $57,000 in fiscal 1999 to $4,000 in fiscal 2000. This decrease is due to the limited usage of the line of credit during fiscal 2000 compared to fiscal 1999.

Income Tax Expense

The Company's effective income tax rate was 37.3% in fiscal 1999 and 40.2% in fiscal 2000. The increase in effective tax rate is due to higher state tax rates and the expiration of certain tax credit carryforwards. See Note 10 of the Notes to Consolidated Financial Statements.

Fiscal Years Ended March 31, 1999 and 1998

Revenues

Total revenues increased by 41.5%, from $21.3 million in fiscal 1998 to $30.1 million in fiscal 1999. Revenues from *The Work Number* increased by 113.3%, from $4.3 million in fiscal 1998 to $9.1 million in fiscal 1999, due to the continued expansion of marketing to employers and verifiers on a nationwide basis and an increase in the number of employment records, and related transaction volume, on the system. Revenues from application services increased by 75.2%, from $2.9 million in fiscal 1998 to $5.1 million in fiscal 1999, due to the Company capitalizing on the trend of some corporations to outsource their non-core functions. Revenues from customer premises systems increased by 10.7%, from $9.9 million in fiscal 1998 to $10.9 million in fiscal 1999. Management believes that the revenue increase was due principally to the Company responding better to Web opportunities in the marketplace. Revenues from maintenance and support related to the customer premises systems increased by 17.4%, from $4.2 million in fiscal 1998 to $4.9 million in fiscal 1999, reflecting the support provided to an increased installed base of customer premises systems.

Cost of Revenues

Total cost of revenues increased by 42.1%, from $11.1 million in fiscal 1998 to $15.8 million in fiscal 1999. Cost of revenues from *The Work Number* increased 73.7%, from $1.8 million in fiscal 1998 to $3.1 million in fiscal 1999, due to the growth in revenues, offset by improved leveraging of personnel and infrastructure costs. Cost of revenues from application services increased by 60.4%, from $2.0 million in fiscal 1998 to $3.2 million in fiscal 1999. The increase in cost is attributable to revenue growth, offset by better leveraging of fixed labor and telephone and network infrastructure costs. Cost of revenues from customer premises systems increased by 32.0%, from $6.0 million in fiscal 1998 to $7.9 million in fiscal 1999. The increase in costs is attributable to the increase in revenues and an increase in labor costs. Cost of revenues from maintenance and support related to customer premises systems increased by 16.6%, from $1.3 million in fiscal 1998 to $1.5 million in fiscal 1999, due to the growth in revenues.

Selling and Marketing Expenses
Selling and marketing expenses increased 4.9% from $8.0 million in fiscal 1998 to $8.3 million in fiscal 1999. As a percentage of revenues, such expenses decreased from 37.4% in fiscal 1998 to 27.8% in fiscal 1999. The decrease in the expense as a percentage of revenues reflects a better leveraging of selling and marketing costs as revenues increased.

General and Administrative Expenses
General and administrative expenses increased 38.8% from $3.5 million in fiscal 1998 to $4.9 million in fiscal 1999. As a percentage of revenues, such expenses decreased from 16.4% in fiscal 1998 to 16.1% in fiscal 1999. The increase in such expenses reflects the increased infrastructure costs of a growing business and workforce.

Restructuring Charge
During the quarter ended December 31, 1998, the Company reorganized its sales and delivery operations and refocused its product line related to its customer premises systems line of business. In conjunction with the reorganization, the Company reduced its workforce by approximately 8% and closed certain regional sales offices. As a result of these actions, the Company incurred restructuring charges of $318,000 related to employee severance costs and $178,000 of other costs.

Other Income (Expense), Net
Interest income decreased 76.8% from $237,000 in fiscal 1998 to $55,000 in fiscal 1999. The decrease is due to a lower average level of invested funds during the year. Interest expense increased from $2,000 in fiscal 1998 to $57,000 in fiscal 1999, due to borrowings in the second half of the fiscal year to expand and enhance the Company's data center and infrastructure.

Income Tax Expense
The Company's effective income tax rate was 36.9% in fiscal 1998 and 37.3% in fiscal 1999. See Note 10 of the Notes to Consolidated Financial Statements.

Discontinued Operations
In August 1996, the Company determined to pursue the divestiture of the database and document services businesses and, accordingly, reflected the results of operations of such businesses as discontinued operations. A provision of $350,000 was made as of June 30, 1996, to reflect the anticipated loss from operations until the time of disposal. On January 31, 1997, the Company sold substantially all of the assets of the document services business to Sterling Direct, Inc., the largest customer of the division. The sales price, after giving effect to the post-closing adjustments, was $1,241,000. The net assets related to this sale were approximately $566,000. As of March 31, 1997 and 1998, the Company provided additional provisions for loss, net of tax, in the amount of $550,000 and $374,000, respectively.

Effective March 31, 2000, the Company sold substantially all the assets, net of liabilities, of the database services business to WPZ Holdings, Inc., the parent company of one of the division's largest customers. The sales price was $1,273,000, which represented the current book value of the net assets sold. The Company realized pre-tax and after-tax gains of $187,000 and $117,000, respectively. See Note 3 of the Notes to Consolidated Financial Statements.

Quarterly Results of Operations
The following tables set forth certain unaudited statement of operations data for each of the four quarters in fiscal 1999 and 2000, as well as the percentage of the Company's total revenues represented by each item. The unaudited financial statements have been prepared on the same basis as the audited financial statements contained herein and include all adjustments (consisting only of normal recurring adjustments) that the Company considers necessary for a fair presentation of such information when read in conjunction with the Company's financial statements and notes thereto appearing elsewhere in this report. The Company believes that quarter-to-quarter comparisons of its financial results should not necessarily be relied upon as an indication of future performance.

Statements of Operations Data:	June 30, 1998	Sept. 30, 1998	Dec. 31, 1998	March 31, 1999	June 30, 1999	Sept. 30, 1999	Dec. 31, 1999	March 31, 2000
	Quarter Ended							
(In thousands)								
Revenues:								
The Work Number	$ 1,719	$2,021	$ 2,518	$2,850	$2,635	$2,822	$ 3,147	$3,724
Application services	952	1,441	1,791	941	1,155	2,143	2,974	1,721
Customer premises systems	2,806	2,425	2,843	2,875	3,151	2,409	2,594	2,681
Maintenance and support	1,274	1,326	1,133	1,187	1,262	1,280	1,210	1,124
Total revenues	6,751	7,213	8,285	7,853	8,203	8,654	9,925	9,250
Cost of revenues:								
The Work Number	664	700	871	902	905	916	1,004	1,149
Application services	613	807	1,021	784	722	1,003	1,503	1,232
Customer premises systems	1,726	1,736	2,302	2,110	2,179	2,001	2,135	2,073
Maintenance and support	426	408	367	344	337	338	350	341
Total cost of revenues	3,429	3,651	4,561	4,140	4,143	4,258	4,992	4,795
Gross margin	3,322	3,562	3,724	3,713	4,060	4,396	4,933	4,455
Operating expenses:								
Selling and marketing	2,224	2,353	2,091	1,670	1,883	1,939	2,068	1,931
General and administrative	1,052	1,245	1,209	1,348	1,384	1,300	1,427	1,364
Restructuring charge	–	–	496	–	–	–	–	–
Total operating expenses	3,276	3,598	3,796	3,018	3,267	3,239	3,495	3,295
Operating income (loss)	46	(36)	(72)	695	793	1,157	1,438	1,160
Gain from discontinued operations, net	–	–	–	–	–	–	–	117
Net earnings (loss)	$ 44	$ (3)	$ (60)	$ 422	$ 486	$ 714	$ 899	$ 785
Basic and diluted earnings (loss) per share:								
Earnings (loss) from continuing operations	$ .01	$ (.00)	$ (.01)	$ .08	$ .09	$ .13	$ .16	$ .12
Gain from discontinued operations, net	–	–	–	–	–	–	–	.02
Net earnings (loss)	$ .01	$ (.00)	$ (.01)	$ .08	$ .09	$ .13	$ .16	$ .14

Percent of Total Revenues:	June 30, 1998	Sept. 30, 1998	Dec. 31, 1998	March 31, 1999	June 30, 1999	Sept. 30, 1999	Dec. 31, 1999	March 31, 2000
	Quarter Ended							
Revenues:								
The Work Number	25.5%	28.0%	30.4%	36.3%	32.1%	32.6%	31.7%	40.3%
Application services	14.1	20.0	21.6	12.0	14.1	24.8	30.0	18.6
Customer premises systems	41.5	33.6	34.3	36.6	38.4	27.8	26.1	29.0
Maintenance and support	18.9	18.4	13.7	15.1	15.4	14.8	12.2	12.1
Total revenues	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Cost of revenues:								
The Work Number	9.8	9.7	10.5	11.5	11.0	10.6	10.1	12.4
Application services	9.1	11.2	12.3	10.0	8.8	11.6	15.1	13.3
Customer premises systems	25.6	24.0	27.9	26.8	26.6	23.1	21.5	22.4
Maintenance and support	6.3	5.7	4.4	4.4	4.1	3.9	3.6	3.7
Total cost of revenues	50.8	50.6	55.1	52.7	50.5	49.2	50.3	51.8
Gross margin	49.2	49.4	44.9	47.3	49.5	50.8	49.7	48.2
Operating expenses:								
Selling and marketing	32.9	32.6	25.2	21.2	23.0	22.4	20.8	20.9
General and administrative	15.6	17.3	14.6	17.2	16.8	15.0	14.4	14.7
Restructuring charge	–	–	6.0	–	–	–	–	–
Total operating expenses	48.5	49.9	45.8	38.4	39.8	37.4	35.2	35.6
Operating income (loss)	0.7	(0.5)	(0.9)	8.9	9.7	13.4	14.5	12.6
Gain from discontinued operations, net	–	–	–	–	–	–	–	1.3
Net earnings (loss)	0.7%	(0.0)%	(0.7)%	5.4%	5.9%	8.3%	9.1%	8.5%

The Company's revenues, margins, and operating results have fluctuated in the past, and are expected to continue to fluctuate in the future, on an annual and quarterly basis, as a result of a number of factors. These factors include the timing of orders from and shipments to clients, delays in development and client acceptance of custom software applications, new product introductions or announcements by the Company or its competitors, levels of market acceptance for new products and the hiring and training of additional staff, as well as general economic conditions. The size and timing of the Company's customer premises systems transactions have historically varied substantially from quarter to quarter, and the Company expects such variations to continue in future periods. Because a significant portion of the Company's overhead is fixed in the short term, the Company's results of operations may be adversely affected if revenues fall below the Company's expectations.

Revenues from application services are seasonally higher during the second and third quarters of the Company's fiscal year due to the nature of the services being provided. The revenues have increased on a quarter-by-quarter comparison in fiscal 2000 over fiscal 1999, due to the Company's capitalizing on an increased trend by some corporations to outsource these services.

Liquidity and Capital Resources

In recent years, the Company has financed its operations primarily through cash flow from operations and bank lines of credit.

The Company had a current ratio of 2.86 to 1 and 3.68 to 1 at March 31, 1999 and 2000, respectively. The Company's working capital was $8.3 million and $15.2 million at March 31, 1999 and March 31, 2000, respectively. Total working capital increased in fiscal 2000 due principally to the Company's earnings for the year combined with a lower level of capital expenditures.

The Company's accounts receivable increased from $6.6 million to $8.0 million from March 31, 1999 to March 31, 2000. The increase is due to increased revenues in the fourth quarter of fiscal 2000 compared to 1999, offset by improved account collections. As a percentage of the Company's total revenues for the fourth quarter of each fiscal year, the accounts receivable at fiscal year-end increased slightly from 83% at March 31, 1999, to 86% at March 31, 2000.

The Company's capital expenditures, principally computer equipment, were $883,000 in fiscal 2000. At March 31, 2000, the Company had no significant capital spending or purchase commitments other than normal purchase commitments and commitments under facilities and operating leases, but would expect capital expenditures to increase slightly during the next fiscal year.

In November 1998, the Company's Board of Directors authorized the Company to repurchase up to 350,000 shares of its stock in the open market over a two-year period. The Company repurchased 58,500 shares for $481,000 during fiscal 2000. Cumulative shares repurchased amount to 100,087. All shares repurchased have been reissued to fund employee stock option exercises and employee stock purchase plan purchases.

The Company believes that its working capital, together with its anticipated cash flows from operations, should be sufficient to meet its working capital and capital expenditure requirements for at least the next 12 months. The Company has a $5,000,000 line of credit facility with a commercial bank, all of which was available at March 31, 2000. Outstanding borrowings, if any, bear interest at LIBOR plus 2.25% and will be secured by accounts receivable and inventory.

The Company's net decrease in capitalized software development costs was $421,000 in fiscal 2000. See Notes 1 and 6 of Notes to Consolidated Financial Statements. The Company anticipates that the capitalized software balance will decrease slightly in future periods as amortization exceeds capitalized costs.

Year 2000 Compliance

As of the date of this filing, the Company has had no reported year 2000 incidents from its clients. However, the Company may in the future be subject to claims based on century compliance issues related to a client's enterprise system or other products provided by third parties, custom modifications to the Company's products made by third parties, or issues arising from the integration of the Company's products with other products. While the Company has not been a party to any proceeding involving its products or services in connection with century compliance issues, there is no assurance that the Company will not in the future be required to defend its products or services in such proceedings against claims of century compliance issues, and any resulting liability of the Company for damages could have a material adverse effect on the Company's business, operating results and financial condition.

As of the date of this filing, the Company has not experienced any year 2000 issues involving its internal use information systems. However, there is no assurance that such century compliance problems will not arise, and if so that such problems will not have a material adverse effect on the Company's business, operating results and financial condition.

Quantitive and Qualitative Disclosures About Market Risk

The Company maintains a short-term investment portfolio consisting of federal agency debt obligations. These available for sale securities are subject to interest rate risk and will fall in value if market interest rates increase. The Company has the ability to hold its fixed income investments until maturity, and therefore, the Company would not expect its operating results or cash flows to be affected to any significant degree by the effect of a sudden change in market interest rates on its securities portfolio.

The Company's current line of credit facility with a commercial bank provides for borrowings that bear interest at LIBOR plus 2.25%. The Company had no borrowings outstanding under this line of credit at March 31, 2000. The Company currently believes that the effect, if any, of changes in interest rates on the Company's financial position, results of operations and cash flows would not be material.

Consolidated Balance Sheets

(Dollars in thousands, except share information)

	March 31, 2000	1999
Assets		
Current assets:		
Cash and cash equivalents	**$ 3,276**	$ 267
Short-term investments	**3,015**	–
Accounts receivable, net	**7,980**	6,552
Inventories	**832**	1,262
Work in progress, less progress billings	**2,684**	3,170
Prepaid expenses and other current assets	**2,404**	1,299
Deferred tax assets, net	**624**	235
Total current assets	**20,815**	12,785
Property and equipment, net	**4,992**	5,856
Capitalized software development costs, net of amortization of $4,762 in 2000 and $3,089 in 1999	**3,401**	3,822
Net assets of business held for sale	**–**	859
Deferred tax assets, net	**–**	1,021
Other assets	**925**	221
	$30,133	$24,564
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	**$ 803**	$ 1,075
Accrued expenses and other liabilities	**2,824**	1,681
Progress billings in excess of work in progress	**931**	588
Deferred revenue	**1,099**	1,125
Total current liabilities	**5,657**	4,469
Deferred tax liabilities, net	**1,168**	–
Total liabilities	**6,825**	4,469
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, $.01 par value; authorized 5,000,000 shares and no shares issued or outstanding at March 31, 2000 and 1999	**–**	–
Common stock, $.01 par value; authorized 30,000,000 shares, issued and outstanding 5,616,448 shares at March 31, 2000 and 5,505,017 shares at March 31, 1999	**56**	55
Additional paid-in capital	**23,978**	23,478
Accumulated deficit	**(726)**	(3,432)
Treasury stock, at cost, no shares at March 31, 2000 and 948 shares at March 31, 1999	**–**	(6)
Total stockholders' equity	**23,308**	20,095
	$30,133	$24,564

See accompanying notes to consolidated financial statements.

Consolidated Statements of Operations

(Dollars in thousands, except share information)

	Years ended March 31, 2000	1999	1998
Revenues:			
The Work Number	**$ 12,328**	$ 9,109	$ 4,270
Application services	**7,993**	5,126	2,925
Customer premises systems	**10,835**	10,948	9,886
Maintenance and support	**4,876**	4,920	4,192
Total revenues	**36,032**	30,103	21,273
Cost of revenues:			
The Work Number	**3,973**	3,138	1,807
Application services	**4,460**	3,225	2,010
Customer premises systems	**8,388**	7,874	5,967
Maintenance and support	**1,367**	1,545	1,325
Total cost of revenues	**18,188**	15,782	11,109
Gross margin	**17,844**	14,321	10,164
Operating expenses:			
Selling and marketing	**7,820**	8,339	7,952
General and administrative	**5,477**	4,853	3,496
Restructuring charge	**–**	496	–
Total operating expenses	**13,297**	13,688	11,448
Operating income (loss)	**4,547**	633	(1,284)
Other income (expense):			
Interest income	**85**	55	237
Interest expense	**(4)**	(57)	(2)
Other, net	**1**	10	(77)
Total other income (expense), net	**82**	8	158
Earnings (loss) from continuing operations before income tax expense (benefit)	**4,629**	641	(1,126)
Income tax expense (benefit)	**1,862**	239	(416)
Earnings (loss) from continuing operations	**2,767**	402	(710)
Discontinued operations:			
Gain (loss) on disposal of discontinued operations, net of income taxes	**117**	–	(374)
Net earnings (loss)	**$ 2,884**	$ 402	$ (1,084)
Basic earnings (loss) per share:			
Earnings (loss) from continuing operations	**$ .50**	$ .07	$ (.13)
Gain (loss) on disposal of discontinued operations	**.02**	–	(.07)
Net earnings (loss)	**$ .52**	$ .07	$ (.20)
Diluted earnings (loss) per share:			
Earnings (loss) from continuing operations	**$ .49**	$ .07	$ (.13)
Gain (loss) on disposal of discontinued operations	**.02**	–	(.07)
Net earnings (loss)	**$ .51**	$ .07	$ (.20)
Weighted average number of shares outstanding – basic	**5,559,972**	5,401,345	5,291,381
Weighted average number of shares outstanding – diluted	**5,657,612**	5,519,435	5,291,381

See accompanying notes to consolidated financial statements.

Consolidated Statements of Stockholders' Equity

(Dollars in thousands, except share information)

	Common Stock	Additional Paid-in Capital	Retained Earnings (Accumulated Deficit)	Treasury Stock	Total Stockholders' Equity
Balance at March 31, 1997	$ 53	$ 23,036	$(2,686)	$ –	$ 20,403
Issuance of 17,676 shares of common stock upon exercise of stock options	–	48	–	–	48
Issuance of 34,901 shares of common stock under employee stock purchase plan	–	141	–	–	141
Net loss	–	–	(1,084)	–	(1,084)
Balance at March 31, 1998	53	23,225	(3,770)	–	19,508
Repurchase of 41,587 shares of common stock	–	–	–	(234)	(234)
Issuance of 40,033 shares of common stock and 10,855 shares of treasury stock upon exercise of stock options	1	134	(44)	56	147
Issuance of 31,470 shares of common stock and 29,784 shares of treasury stock under employee stock purchase plan	–	120	(20)	172	272
Issuance of 117,482 shares of common stock upon exercise of warrants	1	(1)	–	–	–
Net earnings	–	–	402	–	402
Balance at March 31, 1999	55	23,478	(3,432)	(6)	20,095
Repurchase of 58,500 shares of common stock	–	–	–	(481)	(481)
Issuance of 61,065 shares of common stock and 41,598 shares of treasury stock upon exercise of stock options	1	271	(143)	329	458
Issuance of 29,959 shares of common stock and 17,850 shares of treasury stock under employee stock purchase plan	–	229	(35)	158	352
Issuance of 20,407 shares of common stock upon exercise of warrants	–	–	–	–	–
Net earnings	–	–	2,884	–	2,884
Balance at March 31, 2000	**$56**	**$23,978**	**$ (726)**	**$ –**	**$23,308**

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

(Dollars in thousands)

	Years ended March 31, 2000	1999	1998
Cash flows from operating activities:			
Net earnings (loss)	**$ 2,884**	$ 402	$ (1,084)
Adjustments to reconcile net earnings (loss) to net cash provided by operating activities:			
Depreciation and amortization	**3,986**	3,071	2,556
Discontinued operations, net	**859**	298	(450)
Deferred taxes	**1,800**	239	(651)
Change in assets and liabilities:			
Accounts receivable	**(1,428)**	(50)	(373)
Inventories	**430**	190	(74)
Work in progress, less progress billings, net	**486**	(1,250)	392
Prepaid expenses and other current assets	**(1,105)**	(545)	(20)
Income tax refund receivable	**–**	14	181
Other assets	**(704)**	(66)	64
Accounts payable	**(272)**	(703)	633
Accrued expenses and other liabilities	**1,143**	(21)	230
Progress billings in excess of work in progress, net	**343**	412	141
Deferred revenue	**(26)**	168	(24)
Net cash provided by operating activities	**8,396**	2,159	1,521
Cash flows from investing activities:			
Additions to property and equipment	**(883)**	(3,399)	(2,302)
Capitalized software development costs	**(1,818)**	(1,557)	(2,294)
Proceeds from maturity of short-term investments	**–**	–	4,117
Purchases of short-term investments	**(3,015)**	–	–
Net cash used in investing activities	**(5,716)**	(4,956)	(479)
Cash flows from financing activities:			
Payments on capitalized lease obligations	**–**	–	(36)
Issuance of common stock	**810**	419	189
Repurchase of common and preferred stock	**(481)**	(234)	–
Net cash provided by financing activities	**329**	185	153
Net increase (decrease) in cash and cash equivalents	**3,009**	(2,612)	1,195
Cash and cash equivalents at beginning of year	**267**	2,879	1,684
Cash and cash equivalents at end of year	**$ 3,276**	$ 267	$ 2,879

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies

(a) Description of Business
TALX Corporation ("TALX" or the "Company") provides interactive Web, interactive voice response ("IVR"), computer telephony integration ("CTI") software and services to large organizations such as Fortune 500 companies and federal government agencies. The Company's services and software enable an organization's employees, customers, vendors and business partners ("Users") to access, input and update information without human assistance. The Company's services and software enhance service levels, improve productivity and reduce costs by enabling Users to perform self-service transactions. Historically, the Company has designed and implemented "tailored" systems that provide an organization's Users with access to databases of information relating to that organization.

The Work Number® is a national service providing automated access to information from multiple organizations. *The Work Number* provides automated responses to requests by mortgage lenders or other verifiers for confirmation of employment information about a participating employer's current and former employees.

Tailored software and services are offered by TALX to its clients either installed on customers' premises or on an outsourced services basis. The Company has provided tailored software and services installed at customers' premises since the early 1980s. In 1993, the Company introduced its application services business (formerly referred to as outsourced services) which allows a client to realize the benefits of the Company's software and services without incurring the administrative or maintenance responsibilities of operating such a system. For application services clients, the Company maintains the client's database on a system at the Company's facilities, where incoming requests for access to the information are received.

(b) Principles of Consolidation
The consolidated financial statements include the accounts of TALX Corporation and its subsidiaries. All significant intercompany balances and transactions have been eliminated in consolidation.

(c) Cash and Cash Equivalents
The Company considers all highly liquid investments with an original maturity of three months or less to be cash and cash equivalents.

(d) Short-term Investments
Short-term investments at March 31, 2000, consist of U.S. government agency debt instruments. The Company classifies its debt and marketable equity securities in one of two categories: available-for-sale or held-to-maturity. Held-to-maturity securities are those securities which the Company has the ability and intent to hold until maturity. All other securities are classified as available-for-sale. All of the Company's securities were classified as available-for-sale at March 31, 2000. Interest income is recognized when earned. Debt securities classified as available-for-sale are stated at market value. There were no short-term investments at March 31, 1999.

(e) Inventories
Inventories are stated at the lower of cost (average) or market. Inventories consist primarily of hardware and spare parts.

(f) Property and Equipment
Property and equipment is recorded at cost less accumulated depreciation and amortization. Depreciation is computed using straight-line and accelerated methods over the estimated useful lives of the assets. Amortization of leasehold improvements and assets recorded under capital leases is computed using the straight-line method over the lesser of the useful life of the asset or lease term.

(g) Product Development and Capitalized Software Development Costs
Product development costs are charged to operations as incurred. Software development costs are expensed as incurred until technological feasibility is achieved, after which they are capitalized on a product-by-product basis. Amortization of capitalized software development costs is the greater of the amount computed using (i) the ratio that current gross revenues for a product bear to the total of current and anticipated future gross revenues for that product or (ii) the straight-line method over the remaining estimated economic life of the product. Amortization of capitalized software development costs starts when the product is available for general release to clients.

(h) Revenue Recognition, Work in Progress and Progress Billings
Revenues from *The Work Number* are recognized from fees charged to Users for verifications of employment history and salary and from employer conversion and maintenance fees. Prior to April 1, 1998, customer premises systems revenue was generally recognized upon shipment of the system. For all transactions entered into subsequent to April 1, 1998, the Company has adopted the American Institute of CPA's Statement of Position 97-2 ("SOP 97-2"). Under SOP 97-2, the Company recognizes hardware and software license revenue upon shipment. Revenues for customization services are recognized by the contract method of accounting using percentage of completion for larger, more complex systems and the completed contract method for smaller systems. Application services revenue is recognized as the services are provided. Revenue from maintenance contracts is deferred and recognized ratably over the maintenance period. Deferred maintenance revenue represents the unearned portion of maintenance fees.

(i) Concentration of Credit Risk

The Company sells its software and services in a variety of industries. No client represented over 10% of revenues in fiscal 1998, 1999 or 2000. The Company performs periodic credit evaluations of its clients' financial condition and generally does not require collateral; however, it maintains a security interest in hardware until payment is received. Credit losses from clients have been within management's expectations, and management believes the allowance for doubtful accounts adequately provides for any expected losses.

(j) Income Taxes

The Company records income taxes under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

(k) Fair Value of Financial Instruments

The Company discloses estimated fair values for its financial instruments. A financial instrument is defined as cash or a contract that both imposes on one entity a contractual obligation to deliver cash or another financial instrument to a second entity and conveys to that second entity a contractual right to receive cash or another financial instrument from the first entity.

(l) Stock Option Plans

The Company records stock-based compensation over the vesting period for the difference between the quoted market price of an award at the date of grant and the exercise price of the option, if any. The Company provides pro forma net income and pro forma earnings per share disclosures for employee stock option grants made in 1995 and later years as if the fair-value-based method had been applied.

(m) Management's Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ materially from those estimates.

(n) Net Earnings (Loss) Per Share

Basic earnings per share is computed using the weighted average number of common shares outstanding during the period. Diluted earnings per share reflects the incremental increase in common shares outstanding assuming the exercise of all employee stock options and warrants that would have had a dilutive effect on earnings per share. The weighted average number of shares is based on common stock outstanding for basic earnings (loss) per share and common stock outstanding and common stock options and warrants for diluted earnings (loss) per share in periods when such common stock options and warrants are not antidilutive.

2. Restructuring Charge

During the quarter ended December 31, 1998, the Company reorganized its sales and delivery operations and refocused its product line, related to its customer premises systems line of business. In conjunction with the reorganization, the Company reduced its workforce by approximately 8% and closed certain regional sales offices. As a result of these actions, the Company incurred restructuring charges of $318,000 related to employee severance costs and $178,000 of other costs. These items are reflected in the line item "restructuring charge" on the statement of operations and $0 and $159,000 are reflected in accrued expenses on the balance sheet at March 31, 2000 and 1999, respectively.

3. Discontinued Operations

In August 1996, the Company determined to pursue the divestiture of the database and document services businesses and, accordingly, has reflected the results of operations of such businesses as discontinued operations. A provision of $350,000 was made as of June 30, 1996 to reflect the anticipated loss from operations until the time of disposal. On January 31, 1997, the Company sold substantially all of the assets of the document services business to Sterling Direct, Inc., the largest customer of the division. The sales price, after giving effect to the post-closing adjustments, was $1,241,000. The net assets related to this sale were approximately $566,000. As of March 31, 1997 and 1998, the Company provided additional provisions for loss, net of tax, in the amount of $550,000 and $374,000, respectively. No additional provision for loss was necessary as of March 31, 1999.

Effective March 31, 2000, the Company sold all of its assets, net of liabilities, of the database services business to WPZ Holdings, Inc., the parent company of one of the division's largest customers. The sales price was $1,273,000, which represented the current book value of the net assets sold. The Company realized pre-tax and after-tax gains of $187,000 and $117,000, respectively. While the effective date of the transaction was March 31, 2000, cash settlement occurred April 5, 2000. At March 31, 2000, the receivable for the sales price is included in prepaid expenses and other current assets.

The Company has classified the database business as a discontinued operation and has reclassified the prior period's statements of operations to reflect this change.

Summary balance sheet data of the database business as of March 31, 2000 and 1999 is as follows:

(in thousands)	March 31, **2000**	1999
Current assets	**$ –**	$901
Property and equipment, net	**–**	407
Other assets	**–**	63
Total assets	**–**	1,371
Current liabilities, including provision for loss of $39 in 1999	**–**	512
Net assets of business held for sale	**$ –**	$859

The results of operations for the database business for the years ended March 31, 2000, 1999 and 1998 were as follows:

(in thousands)	March 31, **2000**	1999	1998
Revenues	**$4,800**	$ 4,075	$4,284
Gain (loss) on disposal	**187**	–	(592)
Income tax expense (benefit)	**70**	–	(218)
Gain (loss) on disposal, net	**117**	–	(374)
Net earnings (loss)	**$ 117**	$ –	$ (374)

4. Accounts Receivable

Accounts receivable consist of the following:

(in thousands)	March 31, **2000**	1999
Accounts receivable	**$8,350**	$6,707
Less allowance for doubtful accounts	**370**	155
	$7,980	$6,552

Billings to customers are made in accordance with the terms of the individual contracts.

5. Property and Equipment

Property and equipment consists of the following:

(in thousands)	Range of Estimated Useful Lives (in Years)	March 31, **2000**	1999
Computer equipment	3-5	**$ 6,510**	$5,724
Office furniture and equipment	5-10	**1,339**	1,310
Leasehold improvements	3-10	**3,206**	3,138
		11,055	10,172
Less accumulated depreciation and amortization		**6,063**	4,316
		$4,992	$5,856

6. Product Development and Capitalized Software Development Costs

Product development and amortization of capitalized software development costs for the years ended March 31, 2000, 1999 and 1998 were as follows:

(in thousands)	March 31, **2000**	1999	1998
Product development costs charged to general and administrative expenses	**$ –**	$ 588	$ 322
Amortization of capitalized software development costs	**$2,239**	$ 1,573	$1,558

7. Accrued Expenses and Other Liabilities

Accrued expenses and other liabilities for the years ended March 31, 2000 and 1999 consist of the following:

(in thousands)	March 31, **2000**	1999
Accrued compensation and benefits	**$ 1,864**	$ 736
Other	**960**	945
	$2,824	$1,681

8. Financing Arrangements

The Company has a $5,000,000 line of credit facility with a commercial bank. Outstanding borrowings, if any, will bear interest at LIBOR plus 2.25% and are secured by accounts receivable and inventory. During the fiscal year ended March 31, 2000, the average outstanding borrowings under this facility were $51,000, with a maximum balance outstanding of $471,000. There was no outstanding balance at March 31, 2000.

9. Leases

The Company has noncancelable operating leases, primarily for office space and office equipment, that expire through fiscal 2006 and provide for purchase or renewal options.

Total rent expense for operating leases, including contingent rentals, was $1,063,000, $932,000 and $708,000 in 2000, 1999 and 1998, respectively.

Future minimum lease payments under noncancelable operating leases as of March 31, 2000 are as follows:

Fiscal Year:	*(In thousands)*
2001	$1,030
2002	959
2003	597
2004	117
2005	90
Thereafter	54
Total minimum lease payments	$2,847

10. Income Taxes

Income tax expense (benefit) consists of the following:

(in thousands)	March 31, 2000	1999	1998
Current:			
Federal	**$ 52**	–	–
State and local	**10**	–	–
Deferred:			
Federal	**1,510**	209	(383)
State and local	**290**	30	(33)
Income tax expense (benefit) before discontinued operations	**1,862**	239	(416)
Discontinued operations	**70**	–	(218)
Total income tax expense (benefit)	**$1,932**	$239	$(634)

Income tax expense (benefit) differed from the amounts computed by applying the federal income tax rate of 34% to earnings (loss) from continuing operations before income tax expense (benefit) as a result of the following:

(in thousands)	March 31, 2000	1999	1998
Computed "expected" tax expense (benefit)	**$ 1,574**	$ 218	$(383)
Increase (decrease) in income taxes resulting from:			
State and local income taxes, net of federal income tax benefit	**198**	20	(22)
Other, net	**90**	1	(11)
	$1,862	$239	$ (416)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at March 31, 2000 and 1999 are presented below:

(in thousands)	March 31, 2000	1999
Deferred tax assets:		
Allowance for doubtful accounts	**$ 142**	$ 115
Valuation allowance on inventory	**65**	27
Accrual for compensated absences	**49**	40
Accrual for loss on discontinued operations	**–**	14
Differences in expense recognition methods	**139**	–
Differences in depreciation and amortization	**142**	41
Restructuring charge and other reserves	**–**	160
Net operating loss and tax credit carryforwards	**240**	2,308
Total deferred tax assets	**777**	2,705
Deferred tax liabilities:		
Differences in capitalized software development cost methods	**1,310**	1,414
Differences in expense recognition methods	**11**	20
Differences in depreciation and amortization	**–**	15
Total deferred tax liabilities	**1,321**	1,449
Net deferred tax assets (liabilities)	**$(544)**	$1,256

In assessing the realization of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income and tax planning strategies in making this assessment. Certain net operating loss carryforwards are available to offset future taxable income. In order to fully realize the deferred tax assets, the Company will need to generate future taxable income of approximately $72,000 prior to the expiration of the net operating loss carryforwards in 2013. Taxable income (loss) of the Company for the years ended March 31, 2000, 1999 and 1998 was $5,860,000, $624,000 and $(3,294,000), respectively. Based upon the level of historical taxable income and projections for future taxable income over the periods which the deferred tax assets are deductible, management believes it is more likely than not the Company will realize the benefits of these deductible differences.

At March 31, 2000, the Company has net operating loss carryforwards for federal income tax purposes of $72,000, which are available to offset future federal taxable income, if any, through 2013. In addition, the Company has alternative minimum tax credit carryforwards of approximately $200,000 which are available to reduce future federal regular income taxes, if any, over an indefinite period.

11. Stockholders' Equity

TALX has adopted an incentive stock option plan for employees which provides for the issuance of a maximum of 930,000 shares of common stock. Options are granted by the Board of Directors at prices not less than fair market value as of the date of the grant. Options vest 20% per year and expire six to 10 years after the date of the grant.

Activity under the plan for the three years ended March 31, 2000 is as follows:

	Shares	Weighted Average Exercise Price
Outstanding at March 31, 1997	341,211	$4.62
Granted–1998	53,700	4.98
Cancelled–1998	(18,774)	5.11
Exercised–1998	(17,676)	2.24
Outstanding at March 31, 1998	358,461	$4.72
Granted–1999	319,000	5.56
Cancelled–1999	(73,514)	5.49
Exercised–1999	(53,743)	3.52
Outstanding at March 31, 1999	550,204	$5.22
Granted–2000	189,200	8.37
Cancelled–2000	(35,220)	6.66
Exercised–2000	(99,808)	4.46
Outstanding at March 31, 2000	604,376	$6.22

TALX has adopted a stock option plan for outside directors which provides for the issuance of a maximum of 80,000 shares of common stock. Options are granted in the amount of 1,500 shares each to outside directors at prices not less than fair market value as of the date of the grant, which is April 1 of each year. The options vest one year from the date of the grant. Options outstanding amount to 12,000 and 18,000 at March 31, 1999 and 2000, respectively.

The Company has adopted the disclosure-only provisions of SFAS No. 123, "Accounting for Stock-Based Compensation." Accordingly, no compensation cost has been recognized for the stock option plans. Had compensation cost for the Company's stock option plans been determined based on the fair value at the grant date for awards in fiscal 1998 consistent with the provisions of SFAS No. 123, the Company's net loss and net loss per share would have been impacted by an immaterial amount (less than $.01 per share). The effect for fiscal 1999 would be to reduce net earnings by $235,000 or $.04 per share, based on the weighted average fair value of options granted of $3.10 per option. The effect for fiscal 2000 would be to reduce net earnings by $156,000 or $.03 per share, based on the weighted average fair value of options granted of $8.37 per option.

The Company made calculations under SFAS No. 123 reflecting only options granted in fiscal 1998, 1999 and 2000. Therefore, the full impact of calculating compensation cost for stock options under SFAS No. 123 was not reflected in the determination of the impact, because compensation cost is reflected over the options' vesting period of six to 10 years and compensation cost for options granted prior to April 1, 1995 is not considered. The fair value of option grants for fiscal 2000, 1999 and 1998 is estimated on the date of the grant using the Black-Scholes option-pricing model with the following weighted-average assumptions: expected volatility of 86%, 65%, and 85% in fiscal 2000, 1999 and 1998, respectively; risk-free interest rate of 6.00%, 5.00% and 6.19% in fiscal 2000, 1999 and 1998, respectively; expected life of 4.5, 4.5 and six years in fiscal 2000, 1999 and 1998, respectively; and an expected dividend yield of 0.0% in all periods.

	Options Outstanding			Options Exercisable	
Range of Exercise Price	Number of Shares	Weighted Average Remaining Contractual Life (Years)	Weighted Average Exercise Price	Number of Shares	Weighted Average Exercise Price
$ 3.85 - 4.46	101,128	1.2	$ 3.89	87,118	$3.87
$ 4.46 - 5.95	187,500	7.9	$ 5.26	43,300	$5.20
$ 5.95 - 7.44	147,748	6.5	$ 6.51	44,838	$6.70
$ 7.44 - 8.93	145,000	8.7	$ 7.88	8,500	$7.66
$ 10.41 - 11.90	15,000	9.6	$11.00	0	$0.00
$ 11.90 - 13.39	3,000	9.8	$13.38	0	$0.00
$ 13.39 - 14.38	5,000	9.8	$14.38	0	$0.00
	604,376			183,756	

During fiscal 1997, shareholders approved the TALX Corporation 1996 Employee Stock Purchase Plan (ESPP), which was amended in 1998. The ESPP allows eligible employees the right to purchase common stock on a quarterly basis at the lower of 85% of the market price at the beginning or end of each three-month offering period. Of the 200,000 shares of common stock shares reserved for the ESPP, there were 52,751 shares remaining at March 31, 2000, with 47,809, 61,254 and 34,901 shares issued in fiscal 2000, 1999 and 1998, respectively.

12. Disclosures About the Fair Value of Financial Instruments

The carrying amounts for the Company's cash and cash equivalents, short-term investments, trade receivables, income tax refund receivable, accounts payable and accrued expenses approximate fair value because of the short-term maturity of these instruments. The carrying amounts of notes payable to bank, long-term debt, and capital lease obligations approximate fair value because the interest rates vary with or approximate market rates.

13. Employee Benefit Plan

The Company sponsors a profit-sharing/401(k) plan. The plan covers substantially all of the Company's employees. The Company makes contributions to the plan, subject to ERISA limitations, up to 2.4% of employees' earnings. Total expense under the plan for the years ended March 31, 2000, 1999 and 1998 was $219,000, $197,000 and $146,000, respectively.

14. Commitments and Contingencies

The Company is involved in certain litigation matters arising in the normal course of business. In the opinion of Company management, these matters will not have a material adverse effect on the accompanying consolidated financial statements.

15. Supplemental Disclosures of Cash Flow Information

Cash paid during the year for interest totaled $4,000, $57,000 and $2,000 for the years ended March 31, 2000, 1999 and 1998, respectively.

Independent Auditors' Report

The Board of Directors and Shareholders
TALX Corporation:

We have audited the accompanying consolidated balance sheets of TALX Corporation and subsidiaries as of March 31, 2000 and 1999, and the related consolidated statements of operations, stockholders' equity, and cash flows for each of the years in the three-year period ended March 31, 2000. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TALX Corporation and subsidiaries as of March 31, 2000 and 1999, and the results of their operations and their cash flows for each of the years in the three-year period ended March 31, 2000, in conformity with generally accepted accounting principles.

KPMG LLP

St. Louis, Missouri
May 5, 2000

Board of Directors, Officers and Management

Directors

William W. Canfield
Mr. Canfield is President and Chief Executive Officer of TALX Corporation and a director since 1986. He has served as Chairman of the Board since 1988.

Richard F. Ford
Mr. Ford is the Managing General Partner of Gateway Associates, L.P., a venture capital management firm, St. Louis, Missouri. He has been a director since 1987.

Craig E. LaBarge
Mr. LaBarge is the President and Chief Executive Officer of LaBarge, Inc., a corporation engaged in engineering and manufacturing of electronic systems and complex interconnect assemblies, St. Louis, Missouri. He has been a director since 1994.

Eugene M. Toombs
Mr. Toombs is the President and Chief Executive Officer of MiTek, Inc., an international building components corporation, St. Louis, Missouri. He has been a director since 1994.

M. Steve Yoakum
Mr. Yoakum is the Chief Operating Officer of Rockwood Capital Advisors, L.L.C., a fixed-income investment management firm managing tax-exempt assets, St. Louis, Missouri. He has been a director since 1991.

Executive Officers

William W. Canfield
President, Chief Executive Officer, Chairman of the Board

Craig N. Cohen
Chief Financial Officer, Vice President – Application Services and Software, Secretary

Michael E. Smith
Vice President

Management

Joyce M. Dear
Director of ASP Operations

David C. Fowler
Director of Product Management

Bryan D. Garcia
Director of Product Development, Chief Technologist

L. Keith Graves
Director of Finance, Controller

Donald R. Kehr
Director of Sales – Western Region

Douglas M. Kennedy
Director of *The Work Number* Business Development

Ronald D. Tate
Director of Sales

Thomas C. Werner
Director, General Counsel

Barry R. Whittington
Director of *The Work Number* Operations

John F. Williamson
Director of *The Work Number* Account Management and Human Resources

Corporate and Shareholder Information

Transfer Agent and Registrar
ChaseMellon Shareholder Services, L.L.C.
P.O. Box 3315
South Hackensack, New Jersey 07606-1915
Shareholder Information: 1-888-213-0965
www.chasemellon.com

Stock Information
The Company's common stock trades on The Nasdaq Stock Market under the symbol TALX.

The Company has not paid any cash dividends and does not anticipate that it will do so in the foreseeable future.

Quarterly High/Low Stock Prices

Fiscal 1999	High	Low
1st Quarter	$ 5.94	$ 3.38
2nd Quarter	$ 7.25	$ 4.13
3rd Quarter	$ 5.88	$ 3.53
4th Quarter	$ 7.25	$ 4.00

Fiscal 2000	High	Low
1st Quarter	$ 9.38	$ 6.50
2nd Quarter	$ 9.38	$ 6.88
3rd Quarter	$15.50	$ 7.31
4th Quarter	$21.88	$12.25

The approximate number of holders of record of the Company's Common stock was 99 at June 1, 2000. This number does not include shareholders for whom shares are held in a "nominee" or "street" name.

Annual Meeting
The annual meeting of shareholders will be held at 2:00 p.m. C.D.T. on Thursday, September 7, 2000, at the St. Louis Marriott West, 660 Maryville Centre Drive, St. Louis, Missouri, 63141.

Investor Relations
TALX Corporation
Attention: Investor Relations
1850 Borman Court
St. Louis, Missouri 63146

Form 10-K
A copy of the Company's Form 10-K, as filed with the Securities and Exchange Commission, will be furnished without charge upon written request to Investor Relations.

Corporate Address, Telephone, Fax, Website
TALX Corporation
1850 Borman Court
St. Louis, Missouri 63146
314-214-7000
314-214-7588 fax
www.talx.com

Regional Offices
15600 N. Black Canyon Highway, Suite 102C
Phoenix, Arizona 85053

2265 Roswell Road NE, Suite 100
Marietta, Georgia 30062

3 Bethesda Metro Center, Suite 700
Bethesda, Maryland 20814

Auditors
KPMG LLP
10 South Broadway, Suite 900
St. Louis, Missouri 63102

Corporate Counsel
Bryan Cave LLP
One Metropolitan Square, Suite 3600
St. Louis, Missouri 63102

TALX Representative Client List

The Work Number®

Accounts on Call/Millennium
Adecco Employment Services
Advanced Micro Devices
Advanta Corporation
Advocate Health Care
Aetna
After Thoughts
Agilent Technologies
Airborne Express
Akron General Medical Center
Alliance Media
AlliedSignal
Ameren Services
American Express
American Greetings Corporation
American National Can
American Retail Group, Inc.
Ameriking
Ames Department Stores, Inc.
Anthem, Inc.
AON
APAC Teleservices
ARCO Chemical Company
ARAMARK
Arrow Electronics
Asplundh Tree Expert Co.
AutoZone
AVW Audio Visual
BASF
BANC ONE
Baltimore Sun, The
Bank of America
Bank Boston
Barnes & Noble
Bath & Body Works
Bectel Bettis, Inc.
Bell Atlantic
Bergen Brunswig Corporation
Beverly Enterprises
BJC Health System
Blue Cross of New Mexico
Boeing Company, The
Brinker International
Bristol-Meyers Squibb
Bugle Boy Industries, Inc.
Business Information Srvcs.
Cable & Wireless USA
Cacique (The Limited)
California, State of
California Pizza Kitchen
Campbell Soup
Camp Courant
Capital One Services, Inc.
Caremark
Case Corporation
Casual Male
Catholic Health Partners
Chicago Public Schools
Champion International
Champs
Chicago Title & Trust Co.
Children's World Learning Centers
Chili's Grill & Bar
Ciba Vision
Cincinnati Bell Telephone, Inc.
Circle.Com
Circuit City Stores, Inc.
CIT Group, The
City of Detroit, MI
City of Pasadena, CA
Claire's Boutiques
Cleveland Heights School District
Cleveland Public Schools
Coastal Corporation
Coca-Cola Company
Coldwell Banker
Commerce Bancshares
Commonwealth of Kentucky
Commonwealth of Pennsylvania
Companion Life Insurance Co.
Conexant Systems, Inc.
Consolidated Edison (ConEd)
Consolidated Freightways
Convergys
Coors Brewing Company
Corestaff
Cordis
Countrywide Home Loans
Courant Specialty Products
Cozymel's Restaurant
CVS Corporation
Dade County Public Schools
Decision One
Dallas Morning News
Detroit, City of
Detroit Medical Center
Detroit Public Schools
DHL Airways, Inc.
DialAmerica Marketing
Dillard's, Inc.
Direct Mail Associates
Direct Marketing Distribution, Inc.
Domino's Pizza
Dow Chemical Company
DSA Community Publishing, LLC
Dupont
Dupont Akra Polyester
Dupont Dade Chemistry Systems
Dupont Dow Elastomers
Dupont Optimum Grain
Dyncorp
East Tennessee Natural Gas
EastBay
Eatzi's
Eckerd Drug
Edison International
Electric Avenue (Montgomery Ward)
El Paso Energy
Entergy Services, Inc.
Ernst & Young LLP
Eastern Mountain Sports, Inc.
Ethicon Endo-Surgery
Ethicon, Inc.
Express (The Limited)
FDIC
Famous Footwear
Fannie Mae
Federal Mogul
FedEx Ground
Fel-Pro, Inc.
First Union Bank
Fifth Third Bank
Fingerhut Corporation & Subsidiaries
First Tennessee and Horizon
Fleet Financial Services
Fleming Foods
Florida, State of
Foot Locker
Freeman Companies
Freeman Decorating
Freeman Exhibit
Freeman Transportation
Fresno School District
Frito-Lay, Inc.
G.S.A.
GTE Corporation
General Accounting Office
General Electric
Gentiva Health Services
Giant Food Carlisle
Giant Food Landover
Golub Corp./Pricechopper Supermarkets
Goodyear Tire & Rubber Co.
Guidant
HCR Manor Care
Harrah's Entertainment
Harris Corporation
Hershey Foods
Hewlett Packard
Hills Department Stores
Hoechst Marion Roussel
HomeBase, Inc.
Homestead Publishing
Home Depot
Honda of America Mfg., Inc.
Honeywell
Household International
Hoy, LLC
Hughes Supply
Huntington National Bank
ICI Paints
Illinois Central Railroad
Immunobiology Research Institute
Infirmary Health System
Innotech
Innowave
Integrated Health Services, Inc.
Intermedia Communications
International Paper
International Truck & Engine
J Baker and Companies
JC Penney
J.M. Huber
JP Morgan
Janssen Pharmaceutical
Jeppesen
John Hancock Life Insurance Co.
Johnson Controls
Johnson & Johnson
Kansas City Public Schools
Keane, Inc.
Kellogg Company
Kemper Insurance Company
Kendall
Kentucky, Commonwealth of
KeyBank National Association
Kids Foot Locker
KinderCare
Kinney Shoe
Kirkpatrick, Pettis, Smith, Polian Inc.
KLA Tencor
Kohl's Department Stores
KPC Medical Management & Chaudhuri Medical Groups
KPM Investment Management, Inc.
KPMG LLP
Kraft Foods, Inc.
Kroger
Laboratory Corp. of America Holdings, Inc
Lady Foot Locker
Lane Bryant (The Limited)
La Petite Academy
Lechmere
Lennox Hill Hospital
Lifescan
Limited Stores (The Limited)
Litton Industries, Inc.
Long Island Jewish Medical Center
Long John Silver's
Lord & Taylor Dept. Stores
Lucent Technologies
Lyondell Chemical
Macaroni Grill
Maggianos Little Italy/Corner Bakery
Marathon Ashland Petroleum LLT
Marathon Oil Company
Maritz
McDonald's Corporation
MCI/Worldcom
McNeil Consumer Products
McNeil Specialty Products
MD Anderson Cancer Center
Mead Corp.
Meijer Stores
Mercantile Bank
Meridian Health
Meritor Automotive
Merrill Lynch
MetroHealth System
Michigan National Bank
Microsoft
Midwestern Gas Transmission
Minneapolis Public Schools
Missouri, State of
Mitek
Money Store, The
Monsanto
Montgomery Ward & Co.
Motorola, Inc.
MTA - New York
Mutual of Omaha Insurance Co.
NCR Corporation
NYLCare
National Processing Center
NationsBank
Nationwide Insurance
Navistar
Network Health Ventures, Inc.
Neutrogena
New England Funds
New England Securities
New England Life Insurance Company
New Mass Media
New York City Transit Authority
New York Life
New York Hospitals
New York University
New York Weill Cornell Cancer Center
Newcourt Corporation
Newport News Shipbuilding
Newsday, Inc.
NEXCOM
Nextel Communications
Noramco
Norfolk Southern Corp.
Northop Grumman Corporation
Northeast Utilities
Northern Reflections
Northwest Community Healthcare
Novartis Pharmaceuticals Corporation
Oakland Unified School District
Oakwood Healthcare
Oce Printing
Office Depot
OhioHealth

Ohio State University
Olsten
Omaha Property & Casualty Insurance Co.
On The Border Cafe
Ortho Biotech
Ortho Diagnostics System
Ortho-McNeil Pharmaceutical
Otis Elevator Company
PacifiCare Health Systems
Pathmark Stores Inc.
Pechiney Plastic Packaging, Inc.
Pennsylvania, Commonwealth of
Patuxent
PeopleSoft
Pep Boys Stores
Pepsi-Cola Company
Perdue Farms
Petro Stopping Centers
Pharmacia and Upjohn
Phoenix and Phoenix, Duff & Phelps
Physicians Professional Corporation
Pitney Bowes
Pizza Hut
PNC Bank
Pratt & Whitney
Praxair
Presbyterian Hospital of Dallas
Pricechopper Supermarkets
Principal Financial Group Companies
Procter and Gamble
Prudential Insurance Company
Quaker Oats Company
Qualicon, Inc.
Qwest Communications International
Ralston Purina
Randy River
Repp Limited
RESOURCE PARTNER
Revco D.S., Inc.
Reynolds Metals Co.
Roadway Express
Rockwell International
Rocky Mountain Administrative Srvcs.
Romano's Macaroni Grill
Rosemount
Rush-Presbyterian Medical Center
Russell Corporation
RW Johnson Pharm. Research Inst.
S.C. Johnson & Son
Sacramento Bee
Sam's Club
San Antonio Water System
San Diego Unified School District
San Francisco Music Box
San Francisco Public Schools
Sanwa Bank
SBC Communications
Scottsdale Healthcare
Sears, Roebuck & Co.
Seattle Public Schools
Sempra Energy Corporation Center
Service Master
Service Merchandise
Sherwin Williams
Siemens/Westinghouse
Signature (Montgomery Ward)
Signs of Distinction, Inc.
Sikorsky Aircraft
Smithsonian Institution
Snap-On Credit LLC
Solutia, Inc.
Southern Natural Gas Company
South Georgia Natural Gas Co.
Southern Connecticut Newspapers
Sprint
SSM Health Care
St. Joseph Mercy Health System
St. Paul Companies
Staples
Starbucks Coffee Company
Sterling Diagnostics Imaging Inc.
Stop & Shop
Structure
Sullivan Transfer
Summa Health Systems
Summit Bancorp
Sun Company Inc.
Sun Microsystems
Sunglass Hut
T. Rowe Price
TALX Corporation
Team Edition
Tech Data
Tenet Healthcare Corporation
Tennessee Gas Pipeline Company
Texas Department of MH/MR
The Baltimore Sun
The Hartford Courant
The Money Store
The Morning Call, Inc.
The Staywell Company
Times Mirror Magazines
Therakos
Timken
Tosco Corporation
Transworld Magazine Corp.
Tribune Company
TRW
Tyco Electronics Group
USAirways
UT Automotive
Unicom/Commonwealth Edison
United Healthcare
Universal Foods
University of Pennsylvania
Upper Bucks Publishing Co., Inc.
Uptons, Inc.
VALUMAIL, Inc.
Value City Dept. Stores
Venator Group Hospitality
Victoria's Secret
Viking Freight
Vistakon
Wakefern Food Corporation
Walgreen Co.
Wal-Mart Stores, Inc.
Warner-Lambert
Weblink Wireless
Wellpoint/Health Network
Westinghouse Electric Company
Whirlpool Corporation
White Oak Semiconductor
Williams Information Services Company
Winn Dixie Stores, Inc.
Wisconsin Electric Power Co.
Work n' Gear
xpedx
Yellow Freight
Zurich Insurance Company

Federal Government Agencies

Department of Commerce
Department of Defense
Department of Transportation
Department of Treasury
Department of Veteran Affairs
Federal Emergency Management Agency
Internal Revenue Service
USDA
U.S. Department of Transportation

Application Services

Aetna
Allergan, Inc.
Best Buy Co., Inc.
BJC Health System
Boeing Company, The
Capital One Services, Inc.
CB Richard Ellis
Computer Sciences Corp.
Comsat Corporation
Dayton Power and Light
Dow Chemical
Fannie Mae
G.E. Capital Corporation
Hoechst Marion Roussell
IMC Global
J P Morgan
Kerr McGee Corporation
Manpower, Inc.
National Association of Securities Dealers, Inc.
Northern Trust
Pacificare Health Systems
Pennsylvania Power and Light
PETsMART, Inc.
Publishers Clearing House
ServiceMaster
Texas Health Resources
Unity Health

Software

Aetna
Allen-Bradley
Apria Healthcare
ARCO Products Company
AT&T Capital Corporation
AvMed Health Plans
Bridgestone/Firestone, Inc.
Burlington Northern Santa Fe
Canadian National Railways
CareMark International, Inc.
Case Corporation
Charles Schwab
Chevron Corporation
Cigna Group Insurance
Cincinnati Bell
Coastal States Management Corporation
Columbia Federal Savings Bank
Compucom Systems, Inc.
Cuyahoga County
Day & Zimmerman Group, Inc., The
Delaware Group
Department of Veterans Affairs
Eckerd Drug
Enron Corporation
First Union Bank
General Dynamics
General Electric Aircraft Engines
Hartford Life
Hawaii Medical Services Assoc.
Henry Ford Health System
Hershey Foods
Home Savings of America
Huntington Bancshares, Inc.
ICMA Retirement Corporation
Idaho Power
Iomega Corp.
Johson Controls
Kaiser Permanente
The Kansas City Southern Railway Co.
KLA-Tencor
MAPCO
Medical College of Georgia
Mercantile Bank
Michigan Consolidated Gas Company
Mid-America Federal Savings Bank
Monsanto Company
Motorola, Inc.
National Medical Care, Inc.
Norfolk Southern
Norell Corporation
Northern Trust Retirement Corp.
Novartis
Occidental Petroleum Corporation
Ohio State University
Olin Corporation
Owens Corning
Pacific Gas & Electric Co.
Paychex
PeopleSoft, Inc.
PMA Group
PNC Bank Corporation
Phoenix, City of
The Principal Financial Group
Providence Hospital
PS Technology
Pricewaterhouse Coopers
Putnam Investments, Inc.
Randstad Staffing Services
San Jose, City of
Sears, Roebuck and Co.
Solutia, Inc.
The St. Paul Companies
TDS/Win Team
Teledyne Brown
Texaco, Inc.
TOSCO Corporation
The TJX Companies
Transamerica Life Companies
TriNet Employer Group, Inc.
TRW
Union Safe Deposit Bank
University of Pittsburgh Medical Center
USAirways
US Security Associates
Webster Bank
Wells Fargo
Williams Companies
Wisconsin Electric Power Co.

TALX

The ASP with eSP

extraordinary Service Professionals

redefining employee services

Dan Ackermann Amy Adams Justin Adkins Fareed Ahmad Michelle Akens Jennifer Allen Scott Alred Marti Andrew Mike Andrews Louis Antonopoulos Kat Ashford Gina Avery Mark Axe Vivien Aye Doug Baalmann E.J. Bantz Brenda Barbieri Genny Barco Jim Barker Mary Barnett Kate Beckmann Erin Behan Becky Behan Robert Bell Helen Bendyk Joe Benson Martin Bertolino Brian Bolle Rich Borgschulte Shawn Bower Darla Bowyer Pat Brassil Kelly Brechman Jeff Breneman Lynne Bright Mike Brown Ronnie Bryant Tom Bunda Angie Burkemper Melissa Burks Ellie Burr Stephen Byrd Jim Canfield Bill Canfield Dan Carnesciali Laura Ceretti Ed Chaffin David Charles Shuma Chaudhuri Jim Clarke Gerry Claunch Mike Cohan Craig Cohen Terri Coleman Betty Combs Brett Cox Jan Crane Dennis Crook John Cuba ***extraordinary*** Linda Currier Joyce Dear Gene DeBons Mike DeGeorge Mark Detering Carroll Dick Mike Dietrich Sarah Ditterline Jon Doolin Pat Dorsey Karen Drew Mike Dudley Jon Duncan Jerry Dunn Phyllis Dunn Alex Dyachenko Norma Eckelkamp Janette Edgecombe Rich Elder Mila Elperina Linda Ensor Andy Eshbaugh Christine Estaque Craig Farrell Candy Fink Timothy Finnell Tim Flanagan Greg Fleischer Kelly Fogarty John Foley Connie Fondren Janet Ford Dave Fowler Ron Francois Mike Fuchs Bryan Garcia Steve Getz Joel Godwin Gerry Goeke Mark Grandau Sandra Grant L. Keith Graves Greg Greer Gary Gremminger Dean Gryder Trudy Guinther Linda Hagans Pat Hall Karla Hangsleben Jean Harmer Brandon Harris Teddy Hart Kristin Harty Jerry Harvey Jay Hathaway Richard Hauser-Rapp Joe Huff Bonnie Hess Rosie Holloway Andy Horton Don Howell John Hrenko Callie Hughes Jim Hunziker Frank Ingold Adam Jansen Fenghua Ji Charlie Jia Jack Johnson Matt Johnson James Jordan Sudhir Kalavagunta Emily Kassen Don Kehr Doug Kennedy Reid Kirby Heather Kloth Jeff Knott Paul Kooistra Connie Kreienheder Sergey Kucherov Mark Kuszajewski Jeff Kyker Bev Lakebrink ***service*** Candice Lallinger Jim League Terry LeBlanc Vicki Lederman Jessica LeRoi Julie Lindsay Andrea Liszewski Rick Lively Lew Lucarelli Abha Lunia Rob Mahn Gayle Malone John Mann Jen Marble Sandy Marshall Alice Mayer Karen McCartney Pat McCormack Jim McDonnell Amy McDonough John McReynolds Tim Meeker Joe Mercer Debbie Meyerpeter Marlene Minaeff Rob Montgomery Ryan Moore Danielle Mueller Mary Jo Mueller Mike Murray Tom Murrell Carlisa Nelson Mark Neumann Cathy Noel Shane Nunn Dominic Orlando Carmelita Palmer Elizabeth Paris Gregory Peterson Jeff Pierson Susan Plag David Plocek Mark Porter Stacey Pratt Wade Price Jim Rabb Ramesh Rana Doug Rawls J.R. Reardon Jim Riley Leslie Roark David Robinson Matthijs Roeleveld Tom Romack Lina Romero Laura Rood Cari Safstrom Todd Schilling Chris Schmidt Richard Schrader Scott Schrader Cheri Schulte Linda Schweighofer Donna Seevers Karin Seymour Susan Shanfeld Riley Shearin Alan Shearon Scott Sherwin Tim Simmons ***professionals*** Stacey Simpson Jeri Sims Suraj Singh Doug Smith Mike Smith Joanne Sparks Carol Steinhauer Lori Stewart Brad Stockmann Richard Stout Megan Sullivan Ron Tate Bill Thimiogianis Marnee Torchia Michael Townsel Nancy Trumble Danny Underwood Amy Vanessendelft Gayathri Venkatesh Greg Volner Behnaz Wafapoor Bob Wagoner Joseph Warren Sherina Watts Gail Webb Gary Webster Bill Welch Barb Welker Gary Wendt Tom Werner Jeff White Alison Whitelaw David Whitt Barry Whittington Kim Widmer Deb Wieseman Steve Wiles Loretta Wilga John Williams LaDonna Williams Steve Williams John Williamson Sue Wiseman Bette Wood Steve Woodrow David Worlitz Jamie Wottowa Tracey Yamamoto Mike Zerwig Baohua Zheng Karen Zienta

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St. Louis, Missouri 63146