

TALX created The Work Number and developed it into the nation's largest employment database, with over 60 million records.

Today, we're America's leader in two complementary markets — employment and income verification, and unemployment cost management.

So, what's next?

We're taking the next steps:

1

Expanding
our database

2

Extending
our data-based service menu








3

Exceeding
our clients' expectations

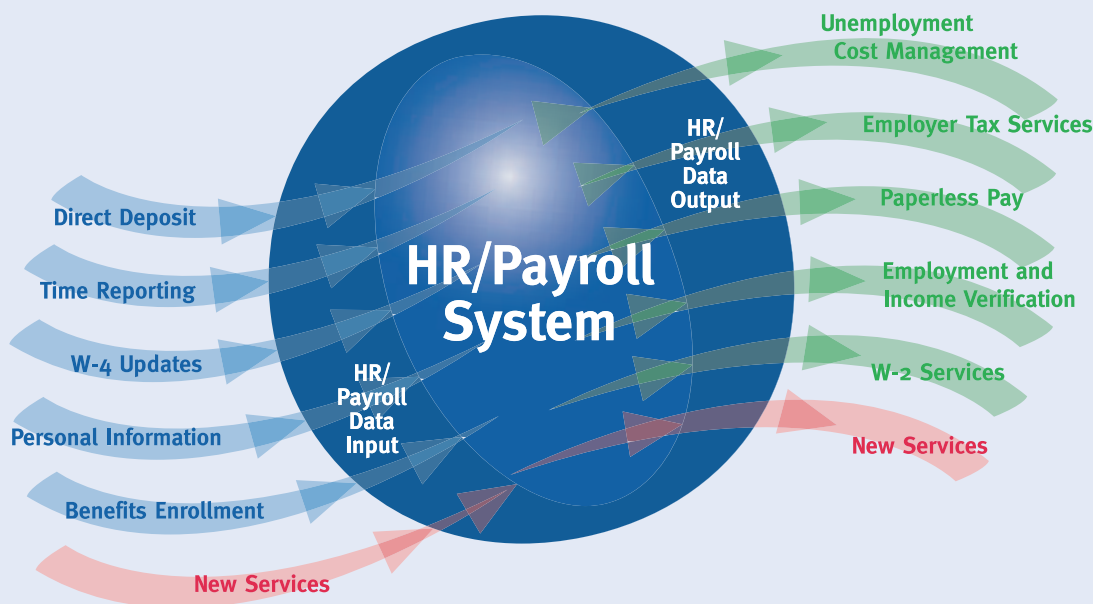
TALX is a leading business process outsourcer (BPO) offering strategic human resource and payroll information services. TALX services transform human resource and payroll information via the Web, corporate portals, Intranets, and the telephone. TALX's premier service, The Work Number[®], is America's leader in employment and income verification. To support key payroll processes, TALX also offers a suite of paperless pay services, W-2 services for employers and employees, electronic time reporting, and UC eXpressSM, the nation's leading unemployment cost management service. TALX Corporation's common stock trades on the Nasdaq Stock Market[®] under the symbol TALX.

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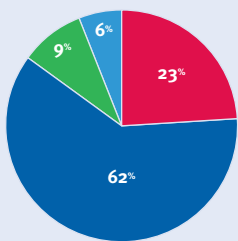
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		<p>TALX transforms paper-based payroll and HR data into electronically accessible information — accurate and secure.</p>	<p>TALX simplifies a wide range of employment data-related functions — from a single source.</p>	<p>TALX delivers the savings, convenience, and satisfaction that clients expect from a leader.</p>
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">The Work Number Services</p>		<p>This national database of employee payroll records is accessible to authorized users to verify employment and income for mortgage and credit approval, pre-employment screening, tenant screening, and social services eligibility. Information is timely, accurate, and available at the touch of a button.</p>	<ul style="list-style-type: none"> ● Employers can outsource employment and income verification — they simply transmit payroll data directly to TALX each pay period. ● Authorized organizations can verify an applicant's employment via Internet or phone with interactive voice response. ● Employees control release of their income information. 	<ul style="list-style-type: none"> ● Employers save staff time and expenses and reduce their risk of liability from providing erroneous or unauthorized information. ● Employees have control over third-party access to information, without the need to notify co-workers. ● Verifiers get convenient access to information, accurate and secure.
		<p>This suite of electronic paperless pay services complements direct deposit, and gives employees the ability to review their paystubs and update their direct deposit information and W-4 forms, online or on the phone.</p>	<ul style="list-style-type: none"> ● Employers can achieve truly paperless pay by replacing the printed paystubs that are distributed to employees with direct deposit. ● Convenient self-service employee access to payroll and direct deposit information reduces administrative burdens while increasing employee satisfaction. 	<ul style="list-style-type: none"> ● Employers eliminate paper-based processes and manual keying errors, reduce calls to the payroll department, and increase participation in direct deposit. ● Employees have anytime access to current and historical payroll information without filing and retrieving paystubs.
		<p>This suite of services provides an end-to-end solution that automates all aspects of the W-2 process from printing and distributing the initial W-2 forms, to facilitating corrections and issuing duplicate statements.</p>	<ul style="list-style-type: none"> ● Employers transmit their W-2 data file to TALX, and we handle the printing and distribution of W-2 forms to employees. ● Employees can request a W-2 correction and/or reissue via Internet or phone and can choose among three delivery options: Web printout, fax, or mail. 	<ul style="list-style-type: none"> ● W-2 eXpress relieves the burden on payroll staff and the need for temporary staff during tax season. ● Through TALX alliances, employees can securely import their W-2 information directly into leading tax preparation software programs, significantly reducing errors and speeding up filing.
		<p>FasTime timesheet collection and approval services automate the capture and reporting of time, expenses and mileage. FasTime collects time in any format for salaried, hourly, and contract workers. It can be integrated with the existing payroll system and is highly scalable.</p>	<ul style="list-style-type: none"> ● Any employee can use a toll-free phone or the Internet to report time and expenses, creating an electronic timesheet that automatically goes to the manager for approval. The reviewed information then goes to the payroll system in the appropriate format. 	<ul style="list-style-type: none"> ● Automating time collection eliminates inefficiencies of manually processing paper timesheets and erroneous data entry. ● FasTime is convenient for manager approval, and employees don't have to fax, mail, or pick up or drop off timecards.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Unemployment Cost Management Services</p>		<p>States track unemployment benefits and charge them back to previous employers through unemployment taxes. Employers can control their state taxes by managing employee separations and the states' unemployment compensation processes. TALX works with a company's employment database to help them do just that.</p>	<ul style="list-style-type: none"> ● TALX unemployment cost management services help companies manage and process unemployment claims and prepare reports on separations and claims. ● TALX files state reporting and tax forms, audits state unemployment charges, and represents clients at appeals and hearings. 	<ul style="list-style-type: none"> ● UC eXpress handles the complex reporting and monitoring of unemployment insurance — especially for multi-state companies facing many different requirements. ● By reviewing company procedures and auditing unemployment charges, TALX helps clients save on unemployment tax.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Human Resources and Benefits Application Services</p>		<p>This end-to-end electronic benefits enrollment service manages the complex benefits enrollment process for employers. It supports annual and ongoing enrollments and is customized to fit a company's specific set of health and welfare plans.</p>	<ul style="list-style-type: none"> ● Employers provide eligibility data to TALX. Human resources administrators have secure Web access to set up eligible benefits, open an event, and update information. Using the Web or phone, employees can review last year's benefits, complete a full enrollment, or update choices for the coming year. 	<ul style="list-style-type: none"> ● eChoice eliminates paper forms, reduces administrative costs, and the likelihood of errors. ● For employees, eChoice is conveniently available at home or office, reduces the time spent on enrolling in plans, and provides instant feedback on elections.

TALX services are centered on the data in employers' human resources and payroll systems. TALX automated services make it easier for employers and employees to enter direct deposit account information, time reports and benefits changes. In addition, by simply transferring employee data to TALX, employers can outsource a whole range of data-based functions such as employment and income verification.



Our Lines of Business*



23%
The Work Number Services

With approximately 70 million employee payroll records under contract from over 800 clients nationwide, including federal, state and local government agencies, The Work Number (TWN) provides instant employment and income verification via the Web or telephone. A network of 30,000 verifiers uses The Work Number. In addition, all 50 states use TWN for social services verifications. TALX also offers employers FasTime automated time reporting services, ePayroll electronic paperless pay services, and W-2 eXpress initial print, reissue, and correction services.

62%
Unemployment Cost Management Services

With the acquisition of The Frick Company and the unemployment cost management (UCM) business of Gates McDonald in March 2002, TALX became the nation's leading provider of UCM services. Through UC eXpress, we contract with employers to handle the management and reporting of their unemployment claims and taxes. The acquired businesses had combined 2001 annual revenue of approximately \$70 million.

9%
Human Resources and Benefits Application Services

Our hosted employee self-service solutions include eChoice benefits enrollment. eChoice is our advanced, packaged enrollment service that can be customized to fit a company's specific set of healthcare plans. All services are hosted in our St. Louis data center.

6%
Software and Support

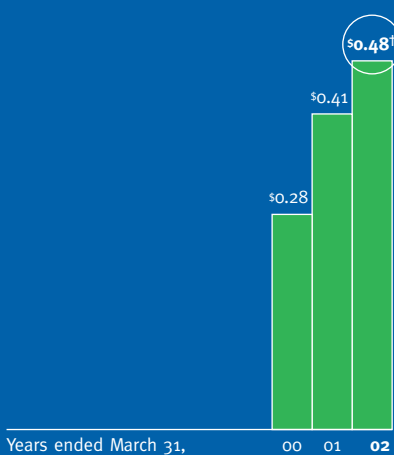
Our software products include customized human resource and payroll solutions that reside at the client's site. These products and the associated services comprise two reporting segments in our financial statements: customer premises systems, and maintenance and support. Declining revenues reflect a strategic shift to discontinue actively marketing software to new clients and to focus on our growing businesses that provide predictable revenue.

*Information based on proforma fiscal year 2002 revenues.

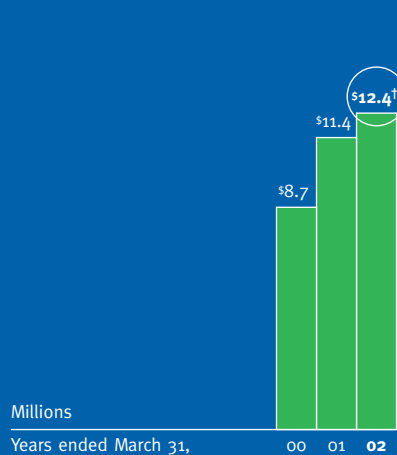
(In thousands, except per share data)

March 31,	2002	2001	% change
Revenues:			
The Work Number services	\$ 27,412	\$19,094	44%
Unemployment cost management services	848	—	*
Human resources and benefits application services	10,797	10,694	1%
Customer premises systems	2,870	6,882	-58%
Maintenance and support	3,893	4,417	-12%
Total revenues	\$ 45,820	\$41,087	12%
Operating income [†]	\$ 8,469	\$ 6,736	26%
Net earnings [†]	\$ 6,310	\$ 4,345	45%
Diluted earnings per share [†]	\$ 0.48	\$ 0.41	17%
Shareholders' equity	\$120,507	\$26,145	361%
EBITDA [†]	\$ 12,380	\$ 11,351	9%

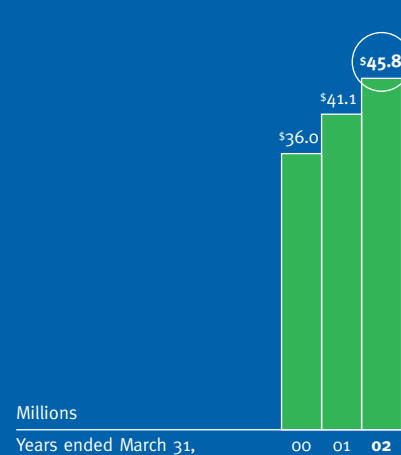
* Not meaningful

[†] Before one-time charges of \$2,934 before taxes and \$1,820 after taxes or \$0.14 per share in 2002.**Earnings per Share from Continuing Operations**

For fiscal 2002, the company earned \$6.3 million, or \$0.48 per diluted share, excluding one-time charges in the second quarter. Net earnings after such charges were \$4.5 million or \$0.34 per diluted share. In fiscal 2001, TALX earned \$4.3 million, or \$0.41 per diluted share. Earnings per share amounts reflect all stock dividends and splits.

**EBITDA[†]**

Earnings before interest, taxes, depreciation and amortization (EBITDA) increased 9 percent to \$12.4 million in fiscal year 2002, from \$11.4 million in the prior year. This measurement provides an indication of a company's ability to generate cash from its operations. Improved cash flow strengthens the balance sheet and provides financial flexibility to take advantage of future opportunities.

**Revenues**

Revenues grew 12 percent to \$45.8 million from \$41.1 million in fiscal 2001. Revenues from our largest revenue source, The Work Number services, increased 44 percent. Fiscal 2002 revenues for unemployment cost management services represent four days of operations following the acquisition of these businesses in March 2002. Revenue from human resources and benefits application services grew 1 percent in fiscal 2002. Declining revenues from customer premises systems and maintenance and support reflect our strategic shift to predictable revenue businesses.

Dear Shareholders,

As fiscal year 2002 ended, TALX Corporation took an important step to **build on the leadership** of The Work Number and to **strengthen the company's position** as an outsourcer of employment-data-based services.

Our acquisitions of two leading unemployment cost management (UCM) businesses in March 2002 added to both our predictable revenue stream and our growth potential. The acquisitions of The Frick Company and the unemployment cost management business of Gates McDonald, along with the acquisition of Ti3 last July, contributed to three key strengths that will drive our continued growth:

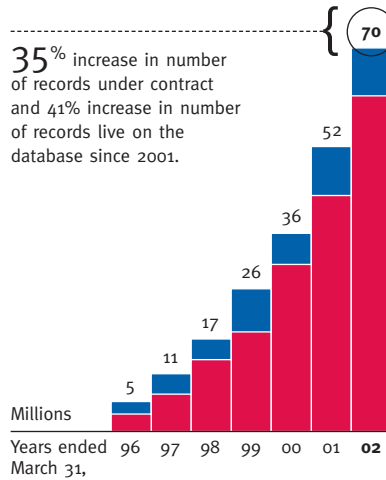
- The size of our employment database and our unmatched expertise in transforming this data into useful services.
- Our market leadership in two businesses with significant capacity for growth — automated employment and income verification and unemployment cost management.
- A rich menu of services and an extensive client list that together provide significant opportunities for cross-selling within the markets we have selected.

We believe that these strengths form the basis for a sound growth strategy, but any strategy is only as good as its execution. We believe that the price of our stock at the end of the fiscal year did not accurately reflect the growth potential of our businesses. We know, however, that the only way to realize the full value of TALX stock is to demonstrate that potential in our company's financial performance. And we are determined to do just that.

The Fiscal Year in Review

For fiscal 2002, our earnings grew 45% to \$6.3 million, or \$0.48 per diluted share, excluding one-time charges, from \$4.3 million, or \$0.41 per diluted share in fiscal 2001. Net earnings after one-time charges, including write-off of capitalized software costs related to the customer premises systems line and other restructuring costs, were \$4.5 million or \$0.34 per diluted share for fiscal 2002. Earnings per share amounts reflect all stock dividends and splits.

We weathered the adverse economic conditions of the past year, which impacted each of our businesses, to maintain revenue growth. Revenues grew 12 percent to \$45.8 million in fiscal 2002, from \$41.1 million in fiscal 2001. The Work Number Services achieved a healthy revenue growth of 44 percent, despite lower-than-anticipated transaction volume in the fourth quarter. Both the mortgage



The Work Number Employment Records

At the end of fiscal 2002, we had 70 million employment records under contract, with 61 million live on the database. This represents an increase in the number of live records on the database of 41 percent over the year and includes 8 million records added through the acquisition of The Frick Company's database. The backlog of 9 million records represents future revenue growth opportunities as the records become live.

- Live Records on the database
- Contracted records in backlog

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

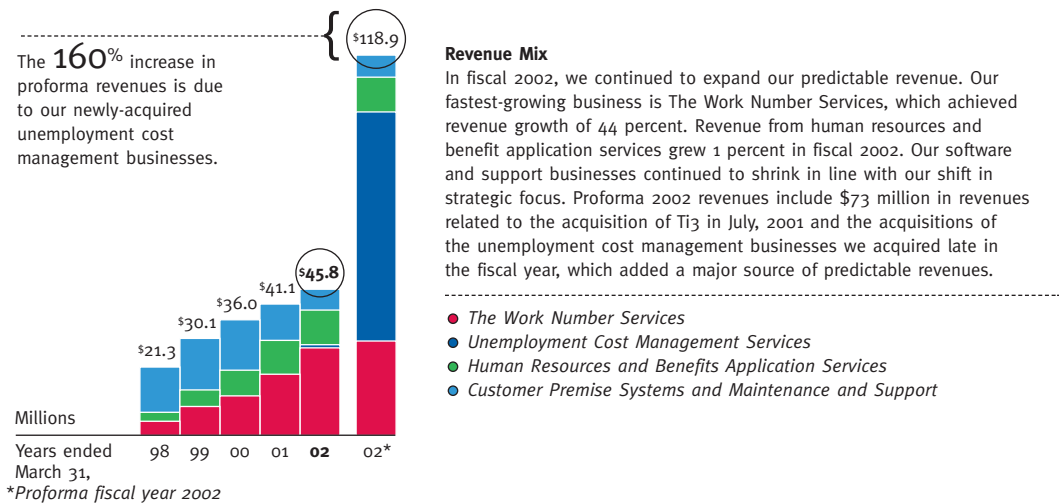
and pre-employment screening markets operated at a slower pace, which we attribute to the sluggish economic climate. Revenues from human resources and benefits application services grew one percent in fiscal 2002, which was below expectations. The sales pipeline remained healthy, but clients delayed signing contracts, which we again believe is a result of economic conditions. In software and support, the decline in fiscal 2002 revenues was consistent with our strategy, although the drop was sharper than expected.

In August, 2001 we successfully completed a secondary stock offering of 2,950,000 shares of our common stock (excluding the effect of our 10% stock dividend) resulting in net proceeds of \$82.4 million. The purpose of this stock offering was to generate cash to be used for acquisition purposes.

At the end of the fiscal year, our balance sheet was more leveraged, because we executed the UCM acquisitions with all cash, including borrowed funds, to maximize return to shareholders. We are comfortable with that more leveraged position, because our businesses generate strong cash flow which will provide the financial flexibility we need. Our financial discipline is reflected in accounts receivable, where we reduced days sales outstanding to 52 days at the end of fiscal 2002 from 67 days a year earlier.

A Strategy for Continued Growth

In response to strategic opportunities, TALX has reshaped its business several times over the years. Each time we have emerged stronger and better positioned in the market. Certainly, the acquisitions of the past year dramatically change our business mix, with our new UCM business now accounting for over 60 percent of our revenues. In another sense, however, these acquisitions are a continuation of the strategy we have been pursuing, and they have all of the attributes we require in businesses that become part of TALX. UCM is a good fit with our other businesses and strengthens our position as a business process outsourcer (BPO) for services centered on a company's payroll and human resources data. The UCM businesses we acquired also advance our strategy of increasing our predictable revenues, as most of their revenues are derived from contracts of a year or more with clients with an average tenure of more than 10 years. And they are immediately accretive to earnings per share.



Our changing business mix enhances the stability of our overall business and increases the share of predictable revenues, while maintaining strong potential for growth in revenues and earnings per share.

Focus on Integration and Cross-selling Opportunities

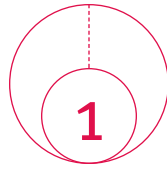
We recognize the challenge of integrating businesses that more than double the size of our company — indeed, the acquired UCM businesses had combined 2001 annual revenue of approximately \$70 million. But we are off to a good start. And, although the integration of Ti3 last July was on a much smaller scale, we have the benefit of that successful experience. Our confidence is bolstered by the fact that the UCM businesses are well established, each operating for more than 35 years. They have solid senior management teams and experienced staff. We have long respected these firms, and we welcome them, their clients, and their employees to TALX.

Together, we are focusing on developing a common sales approach and delivery platform, to realize the opportunities we've created with our expanded database, client list, and service menu. We are already seeing the benefits of these synergies, for example, as clients of our newly acquired businesses adopt additional TALX services.

We expect fiscal 2003 to be a year of strong growth for TALX — both in revenue and earnings — as a result of the base of business we have established to date and the opportunities we have created for the future.

We're grateful for the dedication of all of our people, both long-time TALX employees and those who've joined us in the past year. We're determined to exceed the expectations of our clients, both old and new, and to justify the support of our shareholders.

William W. Canfield
President, Chief Executive Officer and Chairman of the Board
July 3, 2002



{ Expanding our database }

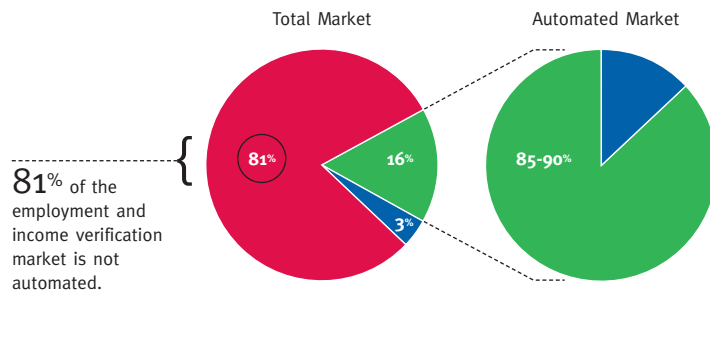
The Work Number built on its leadership in fiscal 2002 by adding 18 million records and potential for further growth.

The acquisitions of The Frick Company and the unemployment cost management business of Gates McDonald in March 2002 contributed to a 41 percent increase in The Work Number database during the fiscal year. We see the potential for 15 million *more* records from the 6,000 new clients we gained from the acquisitions.

With these additional records in the database, our service will become increasingly attractive to verifiers, who are looking for “one-stop shopping” for employment and income verification.

 **18** million records

{ that's 41% growth in the number of records in our database. }



The Work Number Market Share
 The Work Number is the leader in employment and income verification, with 85-90 percent share of the automated market. But there is still significant room for growth, with approximately 81 percent of the verification market yet to be automated. TALX is well positioned to win newly automated clients.

- TALX
- Others (competitors and in-house)
- Not automated

Sources: U.S. Department of Labor and TALX research

TALX has staked out a leadership position with The Work Number — the nation’s pre-eminent employment and income database. The Work Number serves an essential need in our economy for verification of employment and income. Verifiers such as mortgage lenders and brokers, banks, property managers, and government agencies require timely information from employers, placing a burden on their human resources departments.

That’s why over 800 employers nationwide outsource this task to us. By sending us employee payroll data each pay period, employers free themselves of the staff time and expense of responding to routine verification requests. We store the information on a centralized, secure database that employees can access anytime — via the Web, corporate portal, Intranet and telephone — to authorize release of their information. Verifiers can access the database by both the Web and the telephone 24 hours a day, 7 days a week.

Automating the verification process creates tremendous advantages — convenience, security, and accuracy — both for employers and verifiers. And The Work Number is the premier service in the automated verification market. So, as more companies realize the benefits of outsourced, automated verification, we are well positioned to capture that growth.

The bigger the database, the more verifiers turn to The Work Number. The Work Number is the “go-to” source for automated employment and income verification. With the 18 million records added in fiscal 2002, The Work Number has 61 million employment records. No other database comes close. With so many records in one place — including employment data for approximately one-half of the Fortune 500 — it makes sense

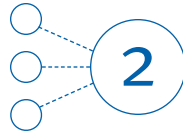
for more and more verifiers to make The Work Number a regular part of their process.

The Work Number database represents 85-90 percent of the automated market and is accessed by a network of over 30,000 verifiers. The two main types of transaction inquiries — each accounting for about two-fifths of TWN revenues — are pre-employment screening by employers, search firms, and screeners, and mortgage and credit checks by bankers, brokers, and processors. The Work Number is also used by social service agencies, rental property managers and others.

Even though we’re at the top of the automated verification market, we have plenty of room for growth. That growth comes from expanding the market for automated verification services to companies that have not yet realized the advantages, and from promoting increased use of the records we already have on our system.

Verifiers have come to appreciate the accuracy and security of The Work Number, so we’re focusing on increasing the number of transaction inquiries they make. We work with verifiers to integrate The Work Number into their standard procedures for verification of employment and income, and help them train staff to “think The Work Number first.” We’re also helping clients encourage their employees to use The Work Number. By doing so, we help them take full advantage of the service while generating more transaction revenues for TALX.

Because The Work Number provides real benefits to employers, employees, and verifiers, encouraging greater use enhances not only revenues but also client satisfaction.



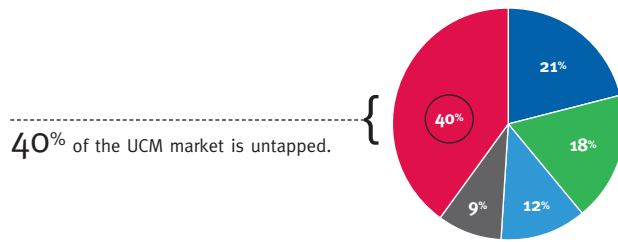
{ Extending our data-based service menu }

With unemployment cost management, TALX offers a more complete single-source solution for employment-data-based services.

We're building our capabilities as a business process outsourcer of services centered on payroll and human resources data.

The TALX menu of employment-data-based services now includes the nation's leading UCM business. TALX serves 35 percent of the outsourced market, and we're targeting the 40 percent of businesses that still handle UCM in-house. Our UCM business — UC eXpressSM — extends our service portfolio at a time when many large employers want to outsource more services to fewer vendors.

40 [%] of the UCM market
is not outsourced.
{ this is our target market. }



UCM Market Position

TALX UC eXpress is the leader in employment cost management, with 21 percent of the market — and a 35 percent share of the outsourced market. But there is still significant room for growth, with 40 percent of companies still handling unemployment claims in-house. TALX is well positioned to provide outsourced UCM services to these companies — many of which already use other TALX services.

- TALX
- Next largest provider
- Next 3 largest providers
- Others
- Not outsourced

Sources: U.S. Department of Labor and TALX research

TALX is the leader in helping employers handle the complex administration of unemployment compensation claims and save on unemployment taxes. With our acquisitions of The Frick Company and the unemployment cost management business of Gates McDonald, TALX immediately became the No. 1 provider in this field. Both businesses had been in operation for over 35 years, and together they served more than 50 percent of the Fortune 500, with an average client tenure of over 10 years.

Our unemployment cost management services, branded UC eXpress, help employers control their unemployment taxes by managing the costs of employee separation and their usage of the unemployment compensation system. Employers pay about 1 percent of total covered wages into the system. In addition to a fixed-rate federal unemployment tax, each employer pays a state tax based in part on that employer’s previous claims. In other words, benefits paid out under the unemployment insurance system are tracked and charged back to each employer. Generally, the less an employer uses the system, the lower its tax rate.

In addition, the paperwork related to the unemployment claims process can be cumbersome, especially for multi-state employers. Each state follows its own formulas and requirements throughout the process — from tax rate calculations to the level of worker benefits.

Unemployment cost management fits perfectly into our menu of payroll and human resources-data related services. To outsource their unemployment cost management functions, employers send TALX their payroll data for each pay period — the same data that’s used for The Work Number and other TALX services. TALX unemployment cost management experts then use the data to help manage and process unemployment claims

and prepare reports on separations and claims. TALX files state reporting and tax forms, audits state unemployment charges, and represents clients at appeals and hearings.

By outsourcing these functions to TALX, companies can save on administrative costs. In addition, by reviewing company procedures, monitoring claims, and auditing charges, TALX helps clients save on unemployment tax.

TALX is establishing a strong outsourcing presence, by offering a rich menu of services using our core employment database. Unemployment cost management was not the only new service we added in fiscal 2002. FasTime, an automated time entry and reporting service, became part of our service menu through our acquisition of Ti3 last July. FasTime allows any employee to report time and expenses via the Internet or telephone, creating an electronic timesheet that is automatically sent to the manager for approval.

The TALX menu of payroll and human resources-data based services also includes ePayroll, a suite of paperless pay services for paystub review and direct deposit account maintenance; W-2 eXpress, which automates all aspects of the W-2 process from printing and distributing the initial W-2 forms, to facilitating corrections and issuing duplicates; and eChoice, an automated service that manages the complex benefits enrollment process for employers.

Employers can utilize all of these services by making a simple transfer of their payroll and human resources data to a single source — TALX.



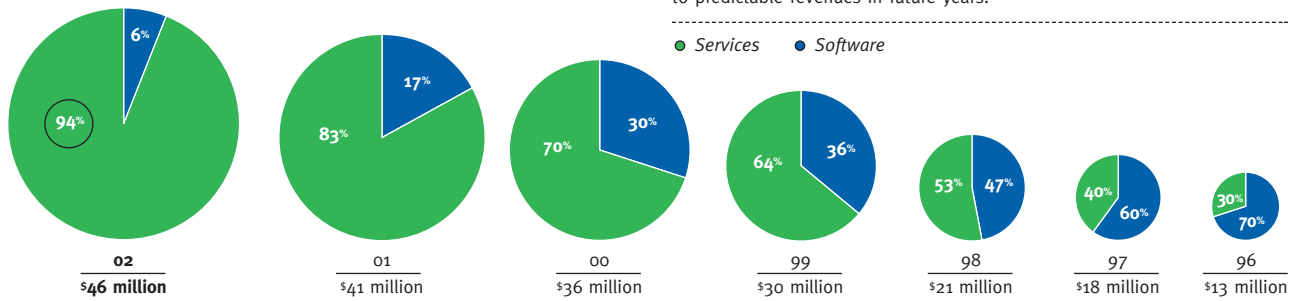
{ Exceeding our clients' expectations }

Our enhanced database and service menu offer greater value to an expanded client list.

The combination of our database, service menu, and client list creates strong growth potential. We now serve approximately two-thirds of the Fortune 500, giving us the ability to provide **additional services** to established satisfied clients. Our expanded service menu increases the value that employers receive by transferring their data to us. And, our expanded database **increases the value** we can bring to alliances with payroll and human resources services outsourcing firms. We're capturing these **synergies** and **cross-selling** opportunities, exceeding expectations to win new business.

2/3 of the Fortune 500
{ more services ⊕ increased value
⊖ more satisfied clients }

94% of our total revenue in 2002 was derived from predictable revenue sources. This is a result of our focus on our services.



Revenue Growth

Year after year, TALX has achieved growth in total revenues while shifting the mix toward predictable revenue sources. In fiscal 2002, these sources — primarily The Work Number services and human resources and benefit application services — accounted for 94 percent of total revenues. The unemployment cost management business, which was acquired at the end of the fiscal year, is characterized by annual contracts and will add to predictable revenues in future years.

Our acquisitions added new services that we can offer to our existing clients, and new clients to whom we can offer additional services. The unemployment cost management businesses we acquired already had strong positions in their market, with a combined client base in excess of 6,000 employers, ranging from very large employers to small companies with fewer than 200 employees. Similarly, our acquisition of T13 added more temporary staffing agencies to our client list, and companies that utilize FasTime could easily add other TALX services.

We are already beginning to tap the extensive cross-selling opportunities of our expanded client base with other TALX services, including The Work Number, electronic paperless pay services, W-2 eXpress, and eChoice.

The markets we've selected provide ample room to earn additional business from satisfied clients. As the market leader in our two primary businesses — employment and income verification and unemployment cost management — the best way for us to pursue growth is not by stealing market share, but by expanding the market. Fortunately, both markets have plenty of room to grow, and we have the best possible opportunity to grow them: by earning new business from our existing client base.

In addition to the clients gained through our acquisitions, we continue to use alliances with outsourcers of human resources services to reach additional clients, particularly small and medium-sized companies. Such alliances also help us build our database and enhance our services.

A key example is the strategic alliance we formed in May 2002 with Ceridian, a leader in human resources and payroll services, making The Work Number available to Ceridian clients. This alliance builds on the existing

relationship between TALX and Ceridian — as a result of our recent acquisitions — in which TALX provides unemployment cost management services to Ceridian's clients. The new alliance brings additional, complementary services to these clients and expands The Work Number to a new market for TALX. Examples of other significant alliances include Hewitt Associates, Towers Perrin, Convergys, Mellon HR Services, Workscape and PeopleSoft.

And, our existing services continued to grow in 2002. For example, our W-2 eXpress service distributed original print and electronic W-2 forms for more than 1 million employees for the 2001 tax season. In addition, nearly 5 million W-2s from a record number of 83 clients were available on the service for reissue and correction purposes, as well as for easy access by employees.

The markets we've chosen provide not only growth but also predictable revenues from loyal clients. For the past several years, we've successfully pursued a strategy of increasing the share of predictable revenues. The unemployment cost management business, which now accounts for over 60 percent of our revenues, is an established business, with revenues coming mostly from multi-year contracts with annual fees, and a stable client base. In addition, while revenues from The Work Number were affected by the economic downturn, our UC eXpress business is somewhat counter-cyclical, as rising unemployment claims increase employers' focus on managing costs.

In sum, by exceeding clients' expectations, we've positioned TALX as the leader in focused markets that provide predictable revenues and growth potential — and we're determined to make the most of the opportunity we've created.

Our acquisitions in fiscal 2002 not only added to our database and service menu, but also enhanced the **breadth and depth** of the TALX management team.

The strong management of our newly acquired companies complements the **experience and expertise** of veteran TALX leadership. TALX is better able to provide the level of service that clients expect from a leader, and to build on strong relationships with our clients to expand the markets for all our services.

Board of 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 — Business Development

**Management Team
Corporate and Employee Services**

L. Keith Graves
Managing Director of Finance, Controller

Douglas M. Kennedy
Managing Director of Partner Development

Robert H. Bell
Director of Sales — Southeast Region

Edward W. Chaffin
Director of National Accounts

Joyce M. Dear
Director of National Alliances

Gene A. DeBons
Director of Sales — Western Region

Jacqueline J. Engel
Director of Marketing

John M. Foley
Director of Professional Services

Janet M. Ford
Director of Sales — Midwest Region

David C. Fowler
Director of Product Management

Bryan D. Garcia
Director of Product Development, Chief Technologist

Kristin M. Harty
Director of Sales — Great Lakes Region

Donald R. Kehr
Director of Sales — National Verifications

Stacey A. Simpson
Director of Sales — Northeast Region

Ellen A. Stanko
Director of Human Resources

Thomas C. Werner
Director, General Counsel

Barry R. Whittington
Director of The Work Number Operations

John F. Williamson
Director of Client Relations

UC eXpress

Stephen E. Hoffmann
Managing Director of Sales

L. Joseph Stohldrier
Managing Director of Operations

William M. Lee
Director of Operations

Mary Pick
Director of Marketing

Ti3

Richard O. Herrmann
President

Jeffrey S. Rutherford
Vice President — Operations

Robert L. Patterson
Vice President — Engineering

Transfer Agent and Registrar

Mellon Investor Services LLC
P.O. Box 3315
South Hackensack, New Jersey 07606-1915
Shareholder Information: 1-888-213-0965
www.melloninvestor.com

Stock Information

The Company's Common Stock is listed on the Nasdaq National Market under the symbol "TALX." The table below sets forth the high and low prices (as adjusted for stock splits and dividends) of the Common Stock during the past two years.

Fiscal 2001	High	Low
First Quarter	\$ 11.55	\$ 7.64
Second Quarter	15.76	9.03
Third Quarter	25.50	12.72
Fourth Quarter	29.65	18.48
Fiscal 2002		
First Quarter	\$37.52	\$19.70
Second Quarter	35.14	17.02
Third Quarter	25.36	14.11
Fourth Quarter	25.60	15.50

The approximate number of holders of record of the Company's Common Stock at June 1, 2002, was 136. This number does not include shareholders for whom shares are held in a "nominee" or "street" name.

During fiscal 2001, the Company began paying dividends on the Common Stock on a quarterly basis. The following table sets forth dividends declared per share of Common Stock for the periods indicated:

Fiscal 2001	
Second Quarter	\$0.02
Third Quarter	0.03
Fourth Quarter	0.03
Fiscal 2002	
First Quarter	\$0.03
Second Quarter	0.03
Third Quarter	0.03
Fourth Quarter	0.03

Any future determination to pay dividends will be at the discretion of the Company's Board of Directors and will be dependent upon the Company's earnings, capital requirements and operating and financial condition, and such other factors as the Board of Directors may deem relevant.

Annual Meeting

The annual meeting of shareholders will be held at 2:00 p.m. C.D.T. on Thursday, September 5, 2002, at the Ritz Carlton of St. Louis, 100 Carondelet Plaza, St. Louis, Missouri, 63105.

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

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

Cautionary Statement Regarding Forward Looking Statements

This corporate 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. These statements relate to, among other things, business trends and prospects, potential future profitability, revenue growth and positive cash flows. All statements other than statements of historical facts included in the corporate report are forward looking statements. Although we believe that the expectations reflected in such forward looking statements are reasonable, we 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 us. Such risks include, but are not limited to,

- (1) our ability to effectively integrate acquired companies and capitalize on cross-selling opportunities,
- (2) our ability to successfully integrate acquisitions, including, without limitation, managing contingent liabilities and retaining employer-customers,
- (3) our ability to increase the size and range of applications for The Work Number database and successfully market current and future human resources and benefits application services,
- (4) fluctuations in The Work Number revenue due to changes in the level of residential mortgage activity and interest rates,
- (5) changes in mortgage documentation requirements in the secondary market,
- (6) our ability to maintain accurate and confidential data,
- (7) future challenges to applicability of the Fair Credit Reporting Act or any new privacy legislation or interpretation of existing laws,
- (8) risk of interruption of computer network and telephone operations.

See the Company's Form 10-K for a complete description of risk factors. We will not update these forward-looking statements, even though our situation may change in the future.

Fortune 500 Companies

{a}

Abbott Laboratories
Advanced Micro
Devices, Inc.
Aetna Inc.
Air Products &
Chemicals, Inc.
Airborne Express
Albertson's, Inc.
Alcoa Inc.
Allstate Insurance Company
Amazon.com, Inc.
Amerada Hess Corporation
Ameren Corporation
American Express Company
American Family Ins.
American Financial
Group, Inc.
American Standard
AmerisourceBergen
Corporation
Ames Department
Stores, Inc.
AMR Corporation
AmSouth Bancorporation
Anheuser-Busch
Companies, Inc.
Anixter International Inc.
Anthem, Inc.
AOL Time Warner
AON Corporation
Apple Computer, Inc.
ARAMARK Corporation
Archer Daniels Midland
Arrow Electronics, Inc.
Arvinmeritor, Inc.
Ashland Inc.
AT&T
Autoliv Inc.
Automatic Data
Processing, Inc.
AutoNation, Inc.
AutoZone, Inc.
Avaya Inc.
Avery Dennison Corporation

{b}

Bank One Corporation
Barnes & Noble, Inc.
Baxter International Inc.
Bear Stearns
Companies, Inc.
Becton, Dickinson
and Company
Best Buy Company
Incorporated
Bethlehem Steel Corporation
BJ's Wholesale Club, Inc.
Boeing Company
Boise Cascade Corporation
Borders Group, Inc.
Bristol-Myers Squibb
Company
Brunswick Corporation
Burlington Northern Santa
Fe Railway Corporation
Burlington Resources Inc.

{c}

Campbell Soup Company
Capital One Financial
Corporation
Caremark Rx, Inc.
Caterpillar Inc.
Charles Schwab Corporation
Charter Communications, Inc.
Chevron Texaco
Chubb & Son Inc.
CIGNA Corporation
Cinergy Corporation
Circuit City Stores, Inc.
Cisco Systems, Inc.
Citigroup Inc.
Clear Channel
Communications, Inc.
CMS Energy Corporation
CNF Inc.
Coca-Cola Company
Coca-Cola Enterprises
Colgate-Palmolive Company
Comerica, Inc.
Computer Sciences
Corporation
Conagra Foods, Inc.
Conseco, Inc.
Consolidated Edison, Inc.
Continental Airlines, Inc.
Cooper Industries, Ltd.
Costco Wholesale
Corporation
Countrywide Home Loans
Cox Communications, Inc.
Crown Cork & Seal
Company, Inc.
CSX Corporation
Cummins, Inc.
CVS Corporation

{d}

Delta Air Lines, Inc.
Dillard's, Inc.
Dole Food Company, Inc.
Dollar General Corporation
Dover Corporation
Dow Chemical Company
Duke Energy Corporation
DuPont Company

{e}

Eaton Corporation
Edison International
El Paso Corporation
Electronic Data Systems
EMC
Emerson Electric Co.
Encompass Services
Corporation
Entergy Corporation
Equity Office Properties
Estee Lauder
Companies, Inc.
Exelon Corporation
Exxon Mobil Corporation

{f}

Family Dollar Stores, Inc.
Fannie Mae
Farmland Industries, Inc.
Federal-Mogul Corporation
Federated Department
Stores
FedEx Corporation
Fidelity National Financial
Fifth Third Bancorp
First American Corporation
First Data Corporation
FirstEnergy Corp.
FleetBoston Financial
Corporation
Fleming Companies, Inc.
Fluor Corporation
FMC Corporation
Foot Locker, Inc.
Ford Motor Company
Foster Wheeler Ltd.
Freddie Mac

{g}

Gannett Co, Inc.
Gap, Inc.
General Dynamics
Corporation
General Electric Company
General Mills, Inc.
Genuine Parts Company
Georgia-Pacific Corporation
Goldman Sachs Group
Goodrich Corporation
Goodyear Tire & Rubber
Company
Graybar Electric
Company, Inc.

{h}

Harrah's Entertainment, Inc.
Hartford Financial Services
Group, Inc.
HCA Inc.
Health Net, Inc.
Hershey Foods Corporation
Hewlett-Packard Company
Home Depot, Inc.
Honeywell International Inc.
Host Marriott Corporation
Household International, Inc.
Humana Inc.

{i}

Intel Corporation
International Paper
Company
Interstate Bakeries
Corporation
ITT Industries, Inc.

{j}

Jacobs Engineering
Group, Inc.
JCPenney Company, Inc.
John Hancock Mutual Life
Insurance Company
Johnson & Johnson
Johnson Controls, Inc.
Jones Apparel Group

{k}

Kellogg Company
Kelly Services, Inc.
Kerr-McGee Corporation
KeyCorp
KeySpan Corporation
Kindred Healthcare, Inc.
Kmart Corporation
Kohl's Corporation
Kroger Company

{l}

Lear Corporation
Leggett & Platt,
Incorporated
Lennar Corporation
Lennox International Inc.
Levi Strauss & Co.
Liberty Mutual Group
Limited, Inc.
Liz Claiborne, Inc.
Lockheed Martin
Corporation
Loews Corporation
Lowe's Companies, Inc.
Lucent Technologies Inc.
Lyondell Chemical Company

{m}

3M Corporation
Manpower, Inc.
Marathon Oil Corporation
Marriott International
Marsh & McLennan
Companies
Masco Corporation
Mattel, Inc.
Maxtor Corporation
May Department
Stores Company
McDonald's Corporation
Medtronic, Inc.
Mellon Financial Corporation
Merck & Co., Inc.
Merrill Lynch & Co., Inc.
Metropolitan Life
Insurance Company
MGM Mirage
Microsoft Corporation
Mirant Corporation
Mohawk Industries, Inc.
Motorola, Inc.
Mutual of Omaha
Companies

U.S. Federal Government

{n}

Nash Finch Company
National City Corporation
Nationwide
Navistar International
NCR Corporation
New York Life Insurance
Company
Newell Rubbermaid Inc.
NEXTEL
Communications, Inc.
NiSource Inc.
Nordstrom, Inc.
Norfolk Southern
Corporation
Northeast Utilities
Northern Trust Retirement
Consulting Inc.
Northrop Grumman
Corporation
Northwest Airlines
Corporation

{o}

Occidental Petroleum
Corporation
Office Depot, Inc.
OfficeMax, Inc.
Omnicom Group Inc.
Owens & Minor, Inc.
Owens Corning Corporation
Owens-Illinois, Inc.
Oxford Health Plans, Inc.

{p}

PacifiCare Health
Systems, Inc.
Park Place Entertainment
Corporation
Parker Hannifin Corporation
Pathmark Stores, Inc.
Pepsi Bottling Group, Inc.
PepsiCo, Inc.
Peter Kiewit Sons', Inc.
Pfizer, Inc.
PG&E Corporation
Pharmacia Corporation
Philip Morris
Companies, Inc.
Phillips Petroleum Company
Pitney Bowes Incorporated
PNC Bank Corp.
PPG Industries, Inc.
PPL Corporation
Praxair, Inc.
Premcor Inc.
Principal Financial Group
Procter & Gamble Company
Progress Energy, Inc.
Progressive Corporation
Provident Financial
Corporation
Prudential Financial, Inc.

{q}

Quantum Corporation
Quest Diagnostics Inc.
Qwest Communications
International Inc.

{r}

R.R. Donnelley & Sons
Company
RadioShack Corporation
Raytheon Company
Rockwell Automation
Control Systems
Roundy's, Inc.
Ryder System, Inc.

{s}

Safeway Inc.
Saks Incorporated
Sanmina-SCI Corporation
Sara Lee Corporation
SBC Communications Inc.
Schering-Plough Corporation
Sears, Roebuck & Company
Sempra Energy
ServiceMaster Company
Sherwin-Williams Company
Shopko Stores, Inc.
Smurfit-Stone Container
Corporation
Solectron Corporation
Southern Company
Sprint Corporation
St. Paul Companies, Inc.
Staples, Inc.
Starwood Hotels & Resorts
State Farm Insurance
Sun Microsystems, Inc.
Sunoco, Inc.
Suntrust Banks, Inc.
SUPERVALU Inc.
SYSCO Corporation

{t}

Target Corporation
Tech Data Corporation
Tenet Healthcare
Corporation
Tenneco
Automotive Inc.
Textron Inc.
TJX Companies, Inc.
Tribune Company
Tricon Global Restaurants
TRW Inc.
Tyson Foods, Inc.

{u}

U.S. Bancorp
UAL Corporation
Union Planters Corporation
Unisys Corporation
United Parcel Service, Inc.
United Stationers Inc.
United Technologies
Corporation
UnitedHealth Group, Inc.
Unocal Corporation
UNUMProvident Corporation
US Airways Group, Inc.
USG Corporation

{v}

Valero Energy Corporation
Verizon Communications Inc.
Visteon Corporation

{w}

Wachovia Corporation
Wal-Mart Stores, Inc.
Walgreen Co.
Walt Disney Company
Washington Mutual, Inc.
Waste Management,
Incorporated
Wellpoint Health
Networks Inc.
Wells Fargo & Company
Whirlpool Corporation
Willamette Industries Inc.
Williams Companies
Winn-Dixie Stores, Inc.
Wisconsin Energy
Corporation
WorldCom, Inc.

{x}

Xerox Corporation

{y}

Yellow Corporation
York International
Corporation

U.S. Departments of:
Agriculture
Commerce
Defense (Civilian
Employees)
Education
Energy
Housing and Urban
Development and
Interagency Council
for the Homeless
Interior, the
Justice
Labor
Transportation
Treasury
Veterans Administration
Army & Air Force
Exchange Service
Export/Import
Bank of the U.S.
Federal Communications
Commission
Federal Deposit Insurance
Corporation
Federal Emergency
Management Agency
Federal Retirement Thrift
Investment Board
Federal Trade Commission
General Service Center
Harry S. Truman
Scholarship Foundation
Inter-American Foundation
Internal Revenue Service
James Madison Memorial
Fellowship Foundation
Library of Congress
Merit Systems
Protection Board
National Business Center
National Finance Center
Navy Exchange Service
(NEXCOM)
Nuclear Waste Technical
Review Board
Overseas Private
Investment Corporation
Pension Benefit
Guaranty Corporation
Presidio Trust
Securities and Exchange
Commission
Selective Service System
Smithsonian Institution
Social Security
Administration
U.S. Holocaust
Memorial Council



{ Talking about TALX }

What do our clients have to say about TALX services?

“The TALX team has been a **real partner** with us to get things done. Our goal is ‘Managing for Value’ (MFV) and we outsource when it brings **real value** to the business. The Work Number supports MFV by freeing up HR and payroll teams for core duties instead of dealing with piles of requests for employment verifications.”

ABN AMRO North America, Inc.
Anne Bohne, First Vice President, Human Resources
ABN AMRO North America is headquartered in Chicago with 18,730 employees. Subsidiaries include LaSalle Bank based in Chicago and Standard Federal Bank in Troy, Michigan.

● *The Work Number* ● *UC eXpress* ● *eChoice*

“**Customer service** is huge at Bank of America Mortgage. With The Work Number, we don’t need to ask customers to provide W-2s and checkstubs, because that’s all in the automated verification. Every piece of paper we can eliminate means **less confusion** for customers and **better, faster service.**”

Bank of America
Diana Saraceni, Credit Administrator
As a leading source of real estate loans — more than \$19.1 billion in 2000 — Bank of America uses The Work Number to verify employment and income. Diana and four counterparts coordinate more than 1,000 individual processors nationwide.

● *The Work Number*

“TALX partnered with Adecco with **responsiveness and innovation** to deliver our automated time capture solution, which enables employees to enter their time sheets using either the Web or telephone. Outsourcing this critical business process to TALX, which drives our payroll/invoicing engine, has allowed Adecco to stay focused on our core business capabilities.”

Adecco
Mark Smith, Senior Vice President
Adecco, the nation’s and the world’s largest staffing services company, has more than 6,000 offices in 60 countries. The company ranks No. 1 or No. 2 in 12 of the 13 largest markets in the world. In 2001 alone, almost 4 million people found work through Adecco at 250,000 client companies.

● *The Work Number* ● *FasTime* ● *UC eXpress*

“My department’s goal is to provide the **highest level of service** to our employees and other Walgreen departments. TALX services for employment verification and unemployment cost management help me keep my service level high with **timely, accurate information.** Our experience with TALX has been extremely positive. TALX expertise and service attitude have made them a **trusted partner.**”

Walgreen Co.
Kris Dimitriou, Manager Personnel Services
Walgreen Co. is the nation’s largest drugstore chain with fiscal 2001 sales of \$24.6 billion. The company operates 3,766 stores in 43 states and Puerto Rico, in addition to Walgreens Health Initiatives, which provides pharmacy benefits management, mail service prescriptions and other clinical services.

● *The Work Number* ● *UC eXpress*

“When we outsource any business process, there must be considerable cost savings and a significant return on investment. Implementing ePayroll paperless pay produced a six-month ROI and cost savings of several hundred thousand dollars. During the implementation process, the entire TALX team was **very professional and responsive** in shaping our solution, and every aspect of the project was **executed extremely well.**”

American Greetings
Mark Hopton, Director, Corporate Payroll Services
American Greetings is the world’s largest publicly owned creator, manufacturer and distributor of greeting cards and social expression products. The company’s 65,000 associates around the world work in 31 plants creating, manufacturing, selling and distributing American Greetings products.

● *The Work Number* ● *ePayroll*

TALX

TALX Corporation
1850 Borman Court
St. Louis, Missouri 63146
www.talx.com