



**Taleo Corporation**  
**Q4 Business Update**  
**Financial Metrics and GAAP to Non-GAAP Reconciliation**

**GAAP to Non-GAAP Reconciliation for Application Revenue**  
(in 000's)

|   |              |
|---|--------------|
| Q3 GAAP Application Revenue as reported on November 3, 2008               | \$ 37,354    |
| Q3 Non- GAAP Application Revenue as reported on November 3, 2008          | <u>3,619</u> |
| Q3 Total Non- GAAP Application Revenue as reported on November 3, 2008    | \$ 40,973    |
| <br>  |              |
| Q4 2008 Estimated Sequential Growth of Total Non-GAAP Application Revenue | 3%           |
| <br>  |              |
| Q4 2008 Total Estimated Non-GAAP Application Revenue                      | \$ 42,202    |

**Q4 2008 Business and Financial Metrics**

|  |            |
|--|------------|
| Estimated Application Cost of Sales                            | \$10M      |
| Estimated Services Cost of Sales                               | \$7M       |
| Estimated Sales and Marketing                                  | \$15M      |
| Estimated Research and Development                             | \$8M       |
| Estimated General and Administrative                           | \$9.5M     |
| Estimated Restructuring  | \$ 300,000 |
| Estimated Other Income   | \$ 100,000 |
| Estimated Share Based Compensation                             | \$3M       |
| Estimated Amortization of Intangibles                          | \$3M       |
| Estimated Depreciation Expense                                 | \$3M       |
| <br>   |            |
| Estimated Q4 2008 Weighted Average Shares Outstanding          | 31M        |
| Estimated Fiscal Year 2008 Weighted Average Shares Outstanding | 31M        |

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