OCLC

The world's libraries.
Connected.™

The flags on the covers of the annual report are arranged in the approximate order in which libraries in a country began using OCLC products and services, starting on the upper left of the front cover and continuing on the back.

United States, Canada, Mexico, United Kingdom, Australia, Finland, Germany, France, Ireland, Denmark, Netherlands, Sweden, Taiwan, Barbados, Belgium, Costa Rica, Iceland, Italy, Japan, Oman, China, Puerto Rico, Saudi Arabia, Spain, Switzerland, Holy See, New Zealand, Portugal, Greece, India, Iraq, Israel, Norway, Pakistan, Panama, Philippines, South Korea, Serbia, Singapore, Trinidad & Tobago, U.S. Virgin Islands, Egypt, Hong Kong, Nigeria, Brazil, Ecuador, Guam, Jamaica, Malaysia, Qatar, Thailand, Turkey, Kuwait, Luxembourg, Slovenia, Colombia, Cyprus, Czech Republic, Iran, Montenegro, Poland, Russia, Slovakia, Venezuela, Argentina, Austria, Botswana, Chile, Kenya, Papua New Guinea, Latvia, Romania, South Africa, Uganda, Bermuda, El Salvador, Estonia, Hungary, Morocco, Nicaragua, United Arab Emirates, Uruguay, Bahrain, Namibia, Albania, American Samoa, Andorra, Angola, Azerbaijan, The Bahamas, Bangladesh, Belize, Brunei, Croatia, Ethiopia, Guyana, Lesotho, Swaziland, Georgia, Macau, Peru, Dominican Republic, Gibraltar, Indonesia, Côte d'Ivoire, Lithuania, Macedonia, Zimbabwe, Armenia, Bosnia & Herzegovina, Bulgaria, Ghana, Guatemala, Jordan, Mauritius, Micronesia, Ukraine, Lebanon, Seychelles, Sri Lanka, Sudan, Vietnam, Afghanistan, Kyrgyzstan, Antigua & Barbuda, Guadeloupe, Tanzania, Martinique, Netherlands Antilles, Bolivia, Democratic Republic of the Congo, Paraguay, Honduras, Greenland, Malta, Kosovo, Cameroon, Grenada, Mongolia, New Caledonia, Anguilla, Cayman Islands, Zambia, Suriname, Saint Lucia, Palau, Solomon Islands, Northern Mariana Islands, Marshall Islands, British Virgin Islands, Maldives, Aruba, Malawi, Turks & Caicos Islands, Rwanda, Senegal, Madagascar, Saint Vincent and the Grenadines, Yemen, Saint Kitts and Nevis, Nepal, Haiti, Algeria, Syria, Monaco, Kazakhstan, Laos, Tunisia, Fiji, Liechtenstein

Founded in 1967, OCLC is a nonprofit, membership, computer library service and research organization dedicated to the public purposes of furthering access to the world's information and reducing library costs. More than 72,000 libraries in 170 countries have used OCLC services to locate, acquire, catalog, lend, preserve and manage library materials. Researchers, students, faculty, scholars, professional librarians and other information seekers use OCLC services to obtain bibliographic, abstract and full-text information when and where they need it. OCLC and its member libraries cooperatively produce and maintain WorldCat—the OCLC Online Union Catalog.

Contents

Connecting people to knowledge through library cooperation

Furthering access to the world's information
Reducing library costs

To the Membership

On September 22, 2010, I was honored to commemorate the special relationship between The Ohio State University and OCLC in the atrium of the William Oxley Thompson Library with Dr. E. Gordon Gee, President, The Ohio State University, and Carol Diedrichs, Director, The Ohio State University Libraries. In 2011, the OCLC cooperative will observe the 40th anniversary of the WorldCat bibliographic database. OCLC's first offices were located in the Thompson Library, and OCLC's first computer room was located in the OSU Research Center. Forty years later, WorldCat has become the world's foremost bibliographic database, accessed by millions of people around the world, and the Thompson Library has undergone a complete renovation.

This past year has been momentous.

Members of the OCLC cooperative adopted a new policy for use of WorldCat records and completed the transition to a new, global governance structure. Participation in OCLC services continued at strong levels. The WorldCat database grew at an extraordinary rate. At the same time, we launched new services that strengthen libraries and help reduce their costs.

Participation

Total participation in the OCLC cooperative at June 30, 2010, involved 72,035 institutions in 170 countries.

The economic downturn notwithstanding, libraries maintained their strong use of OCLC systems and services. They used OCLC to:

- catalog 389.3 million items online and via batchload
- add 57.8 million records to the WorldCat database
- arrange 10.2 million interlibrary loans
- perform 65 million end-user reference searches on the OCLC FirstSearch service
- perform 150 million click-throughs from partner sites on the Web to the WorldCat.org landing page
- add approximately 1 million records to WorldCat for digital objects managed by CONTENTdm.

WorldCat

In fiscal 2010, WorldCat, the OCLC bibliographic database, grew by 57.8 million records and 160 million location listings. This rate of growth was the fastest since WorldCat was introduced in 1971. Individual catalogers cataloged 30.1 million items on the OCLC system during the year. We also batch-processed some 359.2 million records from member institutions around the world, adding their unique records and holdings to WorldCat.

In February 2010, we installed new software that detects and resolves duplicate records in WorldCat. By June 30, the software processed more than 29 million records and removed 2.3 million duplicates. The software is also used to process each day's new and updated records, thereby maintaining quality on an ongoing basis. Removing duplicate records from the database optimizes searching effectiveness and improves productivity in libraries.

We deployed two-way synchronization between WorldCat and CBS central systems, which are used primarily by universities, national libraries and consortia outside the U.S. Thus, a record entered into a CBS system catalog will now also appear in WorldCat automatically.

Collective collection

OCLC is extending WorldCat to represent the collective collection of the OCLC cooperative, including physical holdings such as books and journals, licensed digital content and the growing array of special collections that are being digitized.

At June 30, 2010, the collective collection of the holdings of institutions in the OCLC cooperative accessible through WorldCat.org and WorldCat Local comprised 2.1 billion items, including:

- 197 million bibliographic records
- 1.6 billion holdings
- 205 million article records
- 1 million archival records
- 30 million records from Google, HathiTrust and OAIster

We are also working with libraries, Google and the HathiTrust to derive new MARC records that represent these digital collections based on the rich collection of print records contributed to WorldCat by the OCLC membership over the last 39 years.

Finances

Libraries' use of OCLC services in fiscal 2010 generated cost-share revenues of $228.1 million, which was down from $240.5 million the previous year. Net contribution to equity was $23.4 million, including $22.5 million in gains on sale of product lines. The decline in cost-share revenues and the increase in contribution were due primarily to divestitures (see below). We continue to have a strong balance sheet and substantial reserves.

Fiscal 2010 revenues from U.S. operations were $173.3 million, or 76 percent of total revenues of $228.1 million. Revenues from operations outside the U.S. in fiscal 2010 were $54.8 million, or 24 percent of total revenues.

During the year, OCLC provided members with $19.6 million in credits, primarily for cataloging and resource sharing, to encourage growth and quality of WorldCat.

In the U.S., the economic outlook for the library community remains uncertain at best. *Library Journal's* annual budget survey for 2010 reported an expected decline in total budgets of 2.6 percent. Outside the U.S., library budgets are projected to remain relatively flat. Against this backdrop, OCLC has announced that it will continue to freeze cataloging and resource sharing cost-share prices in North America in fiscal 2011 and will hold any increases to a minimum in other regions. This is the second year in a row that OCLC has held the line on prices.

We have not, however, cut back on our development efforts. In fiscal 2010, we invested $17 million in capital expenditures (hardware, software and capitalized development labor) for building our new Web-scale services as well as enhancing our existing services.

In the coming year, we will reinvest proceeds from the divestitures to finance current operations in order to keep our shared costs down for members and to support rapid new product development.

Divestitures

During the year, we divested the Preservation Service Center, NetLibrary and the rights to license certain vendor-owned databases that were available via FirstSearch, because they no longer provided a strategic fit.

OCLC divested the Preservation Service Center to Backstage Library Works on August 1, 2009. Since acquiring the Center in 1990, OCLC had made considerable investments in equipment and facilities for both preservation microfilming and digitization. The Center has established an excellent reputation through such high-profile projects as the digitization of the papers of Washington, Jefferson and Lincoln. We at OCLC are proud of the work that the Center has done over the past 19 years. Going forward, the Center's clients and employees will be better served as a part of Backstage.

On March 17, 2010, EBSCO Publishing purchased the assets of the OCLC NetLibrary Division and the rights to license a select number of vendor-owned databases then available through the OCLC FirstSearch service. The purchase included the NetLibrary eBook and eAudiobook platform as well as operations and infrastructure in Boulder, Colorado. OCLC acquired NetLibrary in 2002 from bankruptcy in order to protect member libraries' investments in eBook content purchases, and to explore the potential of eBooks for libraries during the early days of eContent and the Web. OCLC members and publisher partners pioneered new eBook platforms, new purchase and licensing models, and built a global shared eBook service for thousands of libraries worldwide.

Going forward, OCLC will continue to deliver important library content via the FirstSearch platform, including the WorldCat database, the WorldCat base package of databases and databases of primarily library-owned content through both FirstSearch and WorldCat.org.

As a result of the divestitures, 120 positions were transferred to Backstage Library Works and EBSCO Publishing. We also eliminated 64 positions that were related to support of the discontinued activities. We provided outplacement services and severance for these employees.

Although we are no longer a reseller of vendor content, we will continue to build partnerships with publishers and other content aggregators to provide maximum discoverability of a library's complete collection through WorldCat.org and WorldCat Local.

Going forward, we are focusing our resources and investments on WorldCat services and on building a range of new Web-scale services for libraries.

Web-scale Management Services

In the last two annual reports, I have discussed our plans and activities to build Web-scale services in the Internet 'cloud' for libraries. I am pleased to report that we have made significant progress in fiscal 2010.

We conducted pilot tests of circulation and acquisition modules of our Web-scale Management Services (WMS) at these sites: CPC Regional Libraries, North Carolina; Idaho Commission for Libraries; Orbis Cascade Alliance and Linfield College Libraries; and Pepperdine University Libraries. We are grateful to these pilot libraries and the Web-scale Library Management Services Advisory Council for their pioneering efforts on behalf of the OCLC cooperative.

On September 27, 2010, The Samuel Roberts Noble Foundation, Ardmore, Oklahoma, became the first library to implement the production version of WMS. It is a special library that supports scientific researchers. At this writing, we were implementing a limited number of early adopters and preparing for a major launch of WMS in 2011.

It is interesting to note that WMS is the realization of the original design of the OCLC online system that OCLC Founder Frederick G. Kilgour set forth in 1967. Fred's design called for six subsystems that would connect libraries to a centralized computer resource: online union catalog and shared cataloging; serials control; technical processing (acquisitions); interlibrary loan; retrieval by subject; remote catalog access and circulation control. While library terminology has changed since 1967, the concept of a library's having access to a central computing resource without having to make large investments in hardware or software remains the same.

Our strategy for building Web-scale encompasses four areas:

- Create systemwide efficiencies in library workflow management
- Create a compelling end-user environment
- Make OCLC Web services a valued part of library operations
- Increase OCLC's global relevance and position of trust.

Let me review our accomplishments in each area during fiscal 2010.

Create systemwide efficiencies in library workflow management

In July 2009, we introduced the WorldCat Digital Collection Gateway, a Web-based tool that enables any OAI-compliant repository to contribute metadata and holdings to WorldCat on a customized harvesting schedule. At this writing, libraries have already contributed more than 1 million records from their digital collections to WorldCat using this freely available gateway.

We enhanced the CBS central system and used it as the central platform for a next-generation metacatalog of Swiss university libraries and the Swiss National Library.

We built the WorldCat knowledge base platform, which provides access to a library's electronic and print resources. This is a major step toward integrating knowledge base functionality into all OCLC applications and data including WorldCat.

OCLC provides integrated local library systems primarily in Europe, Australia and Africa. During the year, we released new versions of Amlib, LBS4, OLIB and SunRise. We will continue to support and enhance these systems as they evolve to our WMS services.

At year's end, we started a pilot test of Direct Request for Articles (DRA) with 20 academic libraries, whereby a library patron can directly request and receive a journal article via interlibrary loan. These pilot libraries have reported that with DRA, they can deliver electronic articles to their patrons in hours, rather than days. At this writing, DRA has become generally available.

We enhanced business continuity for OCLC's core services (cataloging, resource sharing, FirstSearch) at our second data center in Westerville, Ohio. In the event of a catastrophic event at our Dublin Data Center, we can quickly restore operations at Westerville. In the coming year, we will implement a data center in Europe.

Create a compelling end-user environment

With WorldCat Local, we are creating a compelling end-user environment that enables a library or group of libraries to customize WorldCat.org as a solution for local discovery and delivery services. There are now over 1,200 libraries registered for WorldCat Local in the United States, Canada and United Kingdom. Through a single interface, it interoperates with locally maintained services such as circulation, resource sharing and resolution to full text to create an integrated experience for library users. In November 2009, we added metasearch functionality to WorldCat Local, providing single search access to multiple databases.

We released a mobile version of WorldCat.org. This interface fits on the screen of many mobile devices (see page 23).

We put the QuestionPoint virtual reference service in social networking sites such as Facebook and MySpace. Library users can now use their cell phones to text a reference librarian. In fiscal 2010, there were 2,000 libraries in 30 countries using QuestionPoint, and they held 625,000 chat sessions with their library patrons during the year.

Make OCLC Web services a valued part of library operations

Our second area of focus is Web services, in which library developers and OCLC staff build machine-to-machine applications for WorldCat search and retrieval as well as protocols for sharing data and services.

Since OCLC established the Developer Network in 2008, approximately 70 developers working with OCLC Web Services have built more than 60 applications, shared worldwide. These apps and others are accessed more than 10 million times a month (see page 27).

While OCLC members have always been closely involved in development and testing of OCLC services, the Developer Network brings a new dimension to our development efforts. Volunteer librarians and developers are bringing their creativity and practical skills to bear on software solutions that benefit all members of the cooperative.

Increase OCLC's global relevance and position of trust

Our third area of focus is increasing OCLC's global relevance and position of trust. We do this through OCLC Research, RLG Partnership, WebJunction and advocacy.

OCLC Research

OCLC Research staff conduct mission-oriented research, write scholarly papers, give presentations and represent community interests to national and international standards bodies.

I am pleased to report that the National Federation of Abstracting and Information Services named Lorcan Dempsey, Vice President, Research, and Chief Strategist, as the 2010 winner of its highest award, the Miles Conrad Lecture. The award has been given every year since 1968 to an outstanding person who has made significant contributions to the information community. We congratulate Lorcan on this high honor.

Researchers have been mining the data in WorldCat to create innovative presentations of the rich resources available in the database. For example, WorldCat Genres enables a library user to browse dozens of literary genres for hundreds of titles, authors, subjects, characters and locations, ranked by popularity in the world's libraries (see page 28).

RLG Partner institutions sponsored and/or actively participated in a variety of projects that addressed challenges facing research institutions globally, including: support for research workflows; library, archive and museum collaboration; and museum data exchange.

Joining the Virtual International Authority File (VIAF) project during the year were: Getty Research Institute; Istituto Centrale per il Catalogo Unico (Italy); Library and Archives Canada; National Library of Hungary; National Information Institute (Japan); National NUKAT Center (Poland); Swiss National Library; and National Széchényi Library (Hungary). The project's goal is to lower the cost and increase the utility of library authority files by matching and linking the authority files of national libraries, and then making that information available on the Web. There are now 20 institutions participating in VIAF.

In the United Kingdom, with funding from JISC (Joint Information Systems Committee), OCLC Research scientists Lynn Silipigni Connaway, Ph.D., and Timothy J. Dickey, Ph.D., analyzed and synthesized 12 major studies of information-seeking behaviors of library users and presented their findings at the JISC Annual Conference in London in April 2010.

Innovation Lab

In February 2010, I established the OCLC Innovation Lab as a division of OCLC Research, under the leadership of Mike Teets, Vice President, Innovation, and Tip House, Chief Architect-Global Infrastructure. The lab provides a bridge to units across OCLC so that new ideas can be incubated and introduced more readily into the product development life cycle. In June, the Lab launched a new app, "Ask4Stuff," which is a mashup of Twitter and WorldCat.org that allows users to perform WorldCat searches from Twitter. This is yet another way for libraries to reach people.

Advocacy

The Institute of Museum and Library Services awarded WebJunction and the State Library of North Carolina a $940,000 grant to continue work to provide library-based employment services and programs to assist the unemployed in the U.S. They will train trainers to conduct local workshops for public library staff working in the highest unemployment areas. A free version of the workshop will be available online.

In addition to providing ongoing support for WebJunction, the Bill & Melinda Gates Foundation funded a pilot public awareness campaign in fiscal 2009 that eventually involved some 100 libraries in Georgia, Illinois, Indiana, Iowa and Wisconsin. The "Geek the Library" campaign was well-received in the pilot communities, and it is now available for adoption by any U.S. public library. It is designed to help increase awareness of local library needs and to increase support for the services they provide.

Service Partners

We continued to work with Service Partners to design a new partnership model to optimize the service and support provided to libraries in the U.S. In June 2010, LYRASIS and OCLC signed an agreement whereby LYRASIS will provide increased consulting, education and engagement programs for WorldCat and new cooperative Web-scale library management services. LYRASIS, created by the merger of SOLINET, PALINET and NELINET, will build on its strong, 35-year relationship with OCLC to provide member libraries with the next generation of cooperative library services and consulting.

At this writing, the Califa Library Group, a not-for-profit membership cooperative serving libraries and information organizations in California, has become an OCLC Partner and will work with us to share information, and educate and inform members of both organizations for the benefit of libraries and their users.

Workplace

In 2010, for the fifth straight year, OCLC was named one of *ComputerWorld's* "Best Places to Work in Information Technology" in the U.S. To be named to this list once is a distinct honor, and to appear five years in a row is very special. OCLC employees believe strongly in OCLC's mission and public purposes. We remain committed to making OCLC an ideal place to work for all employees.

Rein van Charldorp will retire as Managing Director of OCLC Europe, the Middle East and Africa (EMEA) on December 31, 2010. Since joining OCLC in 2002, Rein has made important contributions to both EMEA and the entire OCLC cooperative. Eric van Lubeek, currently Director of Sales and Operations for OCLC EMEA, will succeed Rein on January 1, 2011.

WorldCat Record Use Policy

A new record use policy, "WorldCat Rights and Responsibilities for the OCLC Cooperative," took effect on August 1, 2010. It is based on recommendations by the Board-appointed Record Use Policy Council. The Council led a year-long effort that involved the Global and Regional Councils, the Board and the OCLC membership at large. In developing its recommendations, the Policy Council noted that "OCLC members, their partners and agents spoke passionately about the record use issue because how OCLC stewards WorldCat and applies a 'record use' policy is extraordinarily important."

The policy is based on the premise that WorldCat and the OCLC cooperative are valuable to the OCLC membership and worth preserving. To that end, the policy sets out a framework of self-governing behaviors intended to sustain WorldCat, the services based on it, the outcomes those services produce, and the cooperative itself over time. The policy has been widely promulgated and is available on the OCLC Web site.

I would like to thank the Council's two co-chairs for their leadership in this process: Jennifer Younger, President, 2010/2011 OCLC Global Council, and Chair, Board of Directors, Catholic Research Resources Alliance, University of Notre Dame, Hesburgh Libraries; and Barbara Gubbin, Director, Jacksonville Public Library. A list of members of the Policy Council appears on page 37 of this report.

Governance

The OCLC Board of Trustees elected the following persons to four-year terms on the Board: Bernadette Gray-Little, Chancellor, University of Kansas; James G. Neal, Vice President for Information Services and University Librarian, Columbia University; and John R. Patrick, President, Attitude LLC. The OCLC Global Council elected Brian E.C. Schottlaender, The Audrey Geisel University Librarian, University of California, San Diego Libraries, to a four-year term on the Board.

We provided support for the Board of Trustees and the Global and Regional Councils as they worked on the transition to OCLC's new global governance structure. There was strong attendance by member librarians at regional meetings this past year in Boston, Beijing, Leiden and Washington, D.C., and a meeting of the Global Council in Dublin, Ohio, in April as well as a virtual one in June.

I would like to thank Board Chair Larry Alford and Global Council President Jan Ison for their leadership during the governance transition.

Looking forward

With a solid financial base, a supportive membership, a more global governance structure and a clear strategy, we are well-positioned to further access to the world's information and reduce library costs as we add value to the OCLC cooperative.
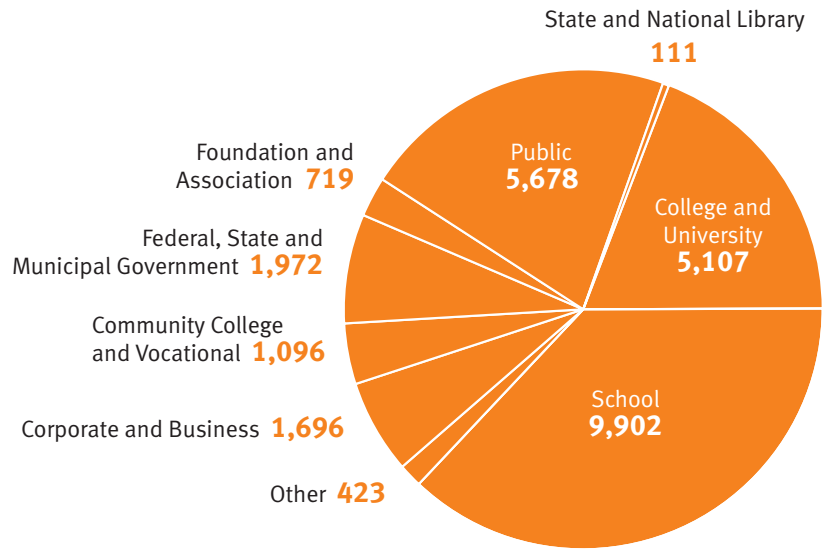
Jay Jordan
President and Chief Executive Officer
November 12, 2010

Year in Review

26,704 OCLC Members

A member of the OCLC cooperative is any library, archive or museum that contractually agrees to contribute intellectual content to the OCLC cooperative or share resources with it. A member can participate in governance of the OCLC cooperative through one of three Regional Councils: OCLC Asia Pacific; OCLC Europe, the Middle East and Africa (EMEA); or OCLC the Americas. The Regional Councils send Member Delegates to the OCLC Global Council, which in turn elects six members of the OCLC Board of Trustees.

State and National Library **111**

Foundation and Association **719**

Federal, State and Municipal Government **1,972**

Community College and Vocational **1,096**

Corporate and Business **1,696**

Other **423**

Public **5,678**

College and University **5,107**

School **9,902**

Financial Highlights

	2009/10	2008/09
Revenues	$ 228,095,100	$ 240,450,800
Operating Results before Investment Income and Other Gains	$ (13,677,400)	$ 711,800
Excess/(Deficit) of Revenues Over Expenses	$ 23,397,900	$ (31,208,700)
Total Corporate Equity/Net Worth	$ 209,587,700	$ 177,110,000
Total Assets	$ 362,887,600	$ 359,895,100
Current Ratio	2.8:1	2.0:1
Long-Term Debt/Corporate Equity	0.24	0.30

Percent Change in HEPI and OCLC Cost Sharing

cumulative percent increase

fiscal year ended June 30

■ HEPI   ■ OCLC
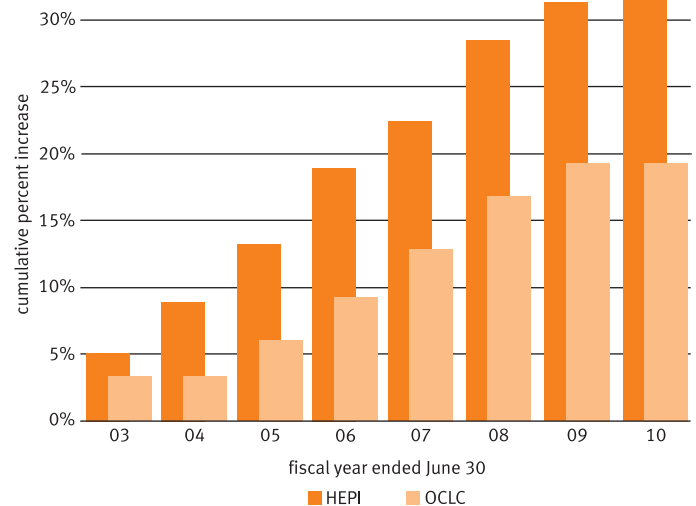
HEPI: Higher Education Price Index   Base year 2002, due to HEPI calculation change

OCLC calculations are based on Online Cataloging and Resource Sharing services

Program Highlights

	2009/10	2008/09
Total number of records in WorldCat (after duplicate detection and resolution)	196.9 million	139.1 million
Books and other materials cataloged online	30.1 million	32.0 million
Books and other materials cataloged by batchloading processes	359.2 million	241.8 million
Cataloging records added to WorldCat	57.8 million	30.9 million
Duplicate records removed from WorldCat through the Duplicate Detection and Resolution Software	2.3 million	n/a
Total records removed since 1991	3.9 million	
Cataloging records generated on computer tape or by FTP for subscribers	5.0 million	4.9 million
Number of records exported online from WorldCat to local systems	63.4 million	54.1 million
Custom-printed catalog cards ordered	1.3 million	1.6 million
Location listings in WorldCat for library materials	1.61 billion	1.45 billion
Local holdings records	22.2 million	16.4 million
Online interlibrary loans transacted	10.2 million	10.3 million
OCLC ILL Fee Management service participants	3,135	3,106
Transactions	988,072	1,036,655
ILL charges transferred	$15.0 million	$14.9 million
OCLC RetroCon services projects	1 institution	4 institutions
Records converted	2,061 records	28,142 records
OCLC Contract Cataloging (including LTS)	154 institutions	172 institutions
	260,577 records	262,785 records
Collection Development—Language Sets	165 institutions	210 institutions
	35,415 records	54,137 records
	23 languages	30 languages
Collection Analysis subscribers	268	433
Analyses/comparisons run	2,350	5,051
OCLC FirstSearch searches	65.0 million	72.3 million
Referrals from partner sites to WorldCat.org landing page	150.0 million	143.1 million
Click-throughs from WorldCat.org to library services	8.4 million	9.1 million
Click-throughs to information from FirstSearch	13.1 million	14.7 million
OCLC FirstSearch Electronic Collections Online	7,786 journals	7,661 journals
	37 publishers	36 publishers
Dewey Decimal Classification and Relative Index, edition 22—copies sold (published Sept. 2003)	1,242	1,383
Abridged Dewey Decimal Classification and Relative Index, edition 14—copies sold (published Feb. 2004)	868	1,220
WebDewey subscriptions—copies sold	1,058	1,054
Abridged WebDewey subscriptions—copies sold	112	138
OCLC CatExpress service subscriptions	1,677	1,841
QuestionPoint libraries	2,076	2,200
Global Knowledge Base	22,662 records	21,000 records
Countries	30	28
Questions asked via e-mail	496,210	430,908
Chat sessions	624,693	566,858
Total questions asked via e-mail (since June 2002)	3.1 million	2.7 million
Total chat sessions (since June 2002)	2.5 million	1.9 million
Total transactions	5.6 million	4.6 million
CONTENTdm licenses	800	510
Digital records in WorldCat added via the Gateway	1.2 million	241,767
OAIster records	25.0 million	n/a

Year in Review

- OCLC launches new online training portal
- WorldCat Mobile Pilot extended to France, Germany, Netherlands, United Kingdom
- Library Advisory Council named to advise OCLC in development of Web-scale Management Services
- NISO and OCLC publish *Streamlining Book Metadata Workflow* by Judy Luther
- WorldCat Digital Collection Gateway launched; provides easy upload of metadata for primary source material

- All OCLC electronic resources become searchable on WorldCat.org, WorldCat Local and WorldCat Local "quick start"
- OCLC completes divestiture of Preservation Service Center
- DanskBibliotekCenter (DBC) agrees to load the Danish National Union Catalogue (DanBib) with holdings into WorldCat
- In Switzerland, Informationsverbund Deutschschweiz (IDS) signs an agreement to load records from the five IDS consortia to WorldCat, including the National Libraries of Luxembourg and Liechtenstein
- In Slovenia, the IZUM consortium of 380 academic, public and other libraries agrees to load 3 million records into WorldCat
- In Israel, Malmad, a consortium of 30 academic institutions, agrees to batchload complete retrospective holdings into WorldCat

- Institute of Museum and Library Services, State Library of North Carolina to share best practices for providing library-based employment services via WebJunction
- In France, ABES (l'Agence Bibliographique de l'Enseignement Supérieur) agrees to load 9 million records from the cataloging system for French academic libraries into WorldCat

First Asia Pacific Regional Council meeting is held in Beijing, China on September 7–8, and attended by 100 librarians from Australia, China, Hong Kong, Japan, Macau, Malaysia, New Zealand, Singapore, Taiwan and Thailand.

Weaving Libraries into the Web: OCLC 1998–2008 reviews the third decade in the history of OCLC and looks to the future of the cooperative. Edited by Jay Jordan, OCLC President and CEO, the book contains 22 articles that originally appeared in the *Journal of Library Administration*. Routledge. ISBN: 978-0-415-57690-1.

- Syndetic Solutions partners with OCLC to offer trial access to cover art, reviews and summaries in WorldCat Local

- 1.3 million metadata records from Elsevier's SCOPUS and Science Direct databases become available on WorldCat.org

- Goodreads reviews become available on WorldCat.org

- University of Michigan transitions OAIster database of open-archive collections to WorldCat.org

- Metasearch functionality added to WorldCat Local, providing single-search access to multiple databases

- Bernadette Gray-Little, Chancellor, University of Kansas, and John R. Patrick, President, Attitude LLC, are elected to four-year terms on the OCLC Board of Trustees

- CONTENTdm 5.2 provides improved functionality and performance

- WorldCat Mashathon in Seattle, Washington, attended by 28 developers on November 5–6

Bernadette Gray-Little

John R. Patrick

- OCLC publishes 42nd annual report to membership (fiscal year 2009)

- WorldCat Basic API becomes available

- JSTOR archive of 4.5 million records from 1,000 academic journals becomes available on WorldCat.org

The Jay Jordan IFLA/OCLC Early Career Development Fellowship Program provides early career development and continuing education for library and information science professionals from countries with developing economies.

The 2010 class from left to right:
Catherine Muriuki, University Librarian, Pan Africa Christian University, Nairobi, Kenya; Sidra Shan, Assistant Librarian, International Islamic University Islamabad, Islamabad, Pakistan; Mahmoud Khalifa, Cataloger Librarian, Library of Congress, Cairo Office, Cairo, Egypt; Elchin Mammadov, Senior Information Specialist, Baku American Center, Baku, Azerbaijan; Sasekea Harris, Librarian, University of the West Indies, Mona, Jamaica; and Shao Yan, Group Leader, National Library of China, Beijing, China.

Year in Review

- OCLC Americas Regional Council holds information session at ALA Midwinter Meeting, Boston, Massachusetts, January 15

- The Library Network of Western Switzerland (RERO) agrees to add 4.8 million records to WorldCat from its 215 member libraries

- RedLaser iPhone application lets a user scan a barcode on a book and find that book in a nearby library using data from WorldCat

- University of Queensland fields 5 millionth virtual reference question on QuestionPoint on January 25

First OCLC EMEA Regional Council meeting, held in Leiden, the Netherlands on February 24–25, is attended by 131 librarians from 24 countries.

- OCLC launches freely accessible site for searching the OAIster union catalog of digital resources and open-archive collections

- Swiss university libraries and the Swiss National Library launch Swissbib, a new metacatalog based on OCLC technology

- Missouri, North Carolina and Pennsylvania state sites join WebJunction community

- Gale's full-text periodical databases, *Academic OneFile* and *General OneFile*, to be indexed in WorldCat Local for single-search access by subscribers to 100 million records that connect to full-text articles

- Holdings of the GBV library network of 400 university, public and special libraries in Germany become visible on the World Wide Web via WorldCat.org

- EBSCO Publishing acquires NetLibrary Division and licenses for some vendor-owned databases available on the OCLC FirstSearch service

- OCLC and H.W. Wilson agree to transfer databases from OCLC FirstSearch service to WilsonWeb

- WorldCat Mobile Pilot gains cover art, connects to local library catalogs

- OCLC issues membership report, "How libraries stack up: 2010"

- Library listings from WorldCat added to pic2shop iPhone application, which scans book barcodes and finds local libraries that hold the books

OCLC Record Use Policy Council meets at OCLC in Dublin, Ohio, January 27–28, 2010. (A list of Council members appears on page 37.) Based on recommendations from the Council, the new record use policy, "WorldCat Rights and Responsibilities for the OCLC Cooperative," took effect on August 1, 2010.

April 2010

- OCLC starts adding records to WorldCat that represent digitized books from the Google Books Library Project and HathiTrust Digital Library

- OCLC completes batchloading of 16.3 million French records in WorldCat from the Bibliothèque nationale de France (BnF), Système Universitaire de documentation (Sudoc) and the Bibliothèque municipale de Lyon (BM Lyon)

OCLC Global Council holds first annual meeting in Dublin, Ohio, April 19–22.

May 2010

- OCLC Research scientists and the Joint Information Systems Committee (JISC) and Research Information Network (RIN) in the United Kingdom issue *The Digital Information Seeker: Report of Findings From Selected OCLC, RIN and JISC User Behaviour Projects*

- WebJunction-Florida is launched in partnership with the State Library and Archives of Florida

James G. Neal   Brian E.C. Schottlaender

On April 20, 2010, the OCLC Board of Trustees elects James G. Neal, Vice President for Information Services and University Librarian at Columbia University, to the OCLC Board (effective April 20, 2010).

On April 22, 2010, the OCLC Global Council elects Brian E.C. Schottlaender, The Audrey Geisel University Librarian, University of California, San Diego Libraries, to the OCLC Board of Trustees (effective November 15, 2010).

June 2010

- OCLC Global Council holds virtual meeting, June 21

- In June, LYRASIS and OCLC announce new partnership to increase consulting, education and engagement programs for WorldCat and new cooperative Web-scale library Management Services; created by the merger of SOLINET, PALINET and NELINET, the LYRASIS regional library membership serves libraries in 22 states in New England, the Mid-Atlantic and the Southeastern United States, Puerto Rico and the U.S. Virgin Islands

Library Journal and OCLC sponsor a free online symposium with a panel of mobile industry experts and librarians on the future of mobile technology and information services on May 20, 2010.

OCLC Americas Regional Council meets in Washington, DC, June 24–25, 2010.

Year in Review

WorldCat®

WorldCat is a database of bibliographic information built continuously by libraries around the world since 1971. Each record in the WorldCat database contains a bibliographic description of a single item or work and a list of institutions that hold the item. The institutions share these records, using them to create local catalogs, arrange interlibrary loans and conduct reference work. Libraries contribute records for items not found in WorldCat using the OCLC shared cataloging system.

As of June 30, 2010, nearly 197 million records had been added to WorldCat, spanning five millennia of recorded knowledge, from about 4800 B.C. to the present. This unique store of information encompasses records in eight formats—books, serials, sound recordings, musical scores, maps, visual materials, mixed materials and computer files. Like the knowledge it describes, WorldCat grows steadily. Every second, library members add seven records to WorldCat.

In fiscal 2010, WorldCat grew by 57.8 million records. Libraries used WorldCat to catalog and set holdings for 389.3 million items and arrange 10.2 million interlibrary loan transactions. OCLC FirstSearch service users accessed WorldCat to conduct 36.9 million reference searches.
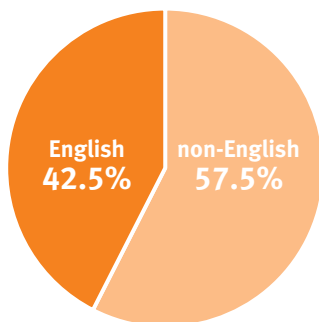
Records by Format

Format	Total LC Records	Total Participant-input	Total LC-created Participant-input	Total Records
Books	7,691,430	157,871,623	1,778,578	167,341,631
Serials	644,235	7,457,339	53,256	8,154,830
Visual Materials	197,426	4,801,968	19,072	5,018,466
Maps	278,650	2,859,170	8,455	3,146,275
Mixed Materials	49,036	923,200	4,180	976,416
Sound Recordings	322,821	5,196,375	63,613	5,582,809
Scores	96,236	4,580,603	56,761	4,733,600
Computer Files	9,460	2,026,939	2,127	2,038,526
Totals	9,289,294	185,717,217	1,986,042	196,992,553*

* Reflects total unique records after duplicate detection resolution is complete.

WorldCat Statistics

As of June 30, 2010

Languages	479
E-books	4,918,278
Works	135,209,621
Manifestations (records)	196,992,553
Total holdings	1,612,328,616

Date Ranges of Records

4800 B.C.−1 B.C.	25,876
1 A.D.−1449	42,269
1450−1499	95,609
1500−1599	1,154,700
1600−1699	2,726,894
1700−1799	5,401,493
1800−1899	15,586,968
1900−1909	4,251,229
1910−1919	4,417,615
1920−1929	5,392,338
1930−1939	6,048,116
1940−1949	5,285,947
1950−1959	8,459,215
1960−1969	14,209,927
1970−1979	19,770,244
1980−1989	24,241,353
1990−1999	28,965,136
2000−2009	31,057,074
2010−	575,797

Language Composition of WorldCat

June 30, 2010

English 42.5%
non-English 57.5%

Top 10 Lenders
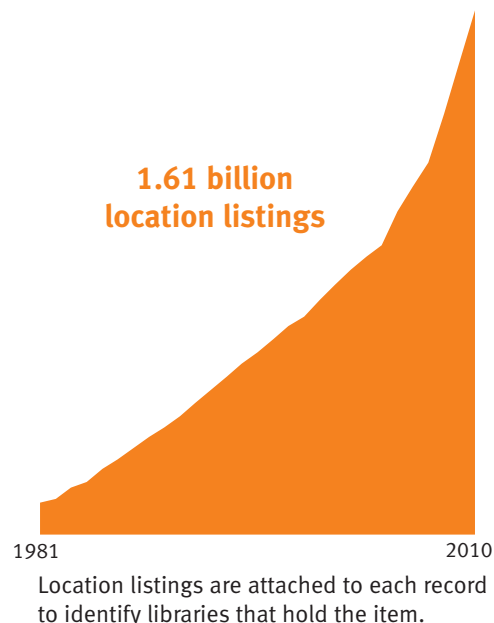
Fiscal 2010

Organization	Items Lent
MINITEX Library Information Network	63,394
University of Chicago	54,178
University of Texas at Austin	53,748
University of Wisconsin–Madison	46,832
Indiana University	44,123
University of Michigan	40,573
Brigham Young University	38,263
Arizona State University	37,014
University of North Carolina, Chapel Hill	36,676
University of Illinois at Urbana–Champaign	36,450

Top 10 Original Catalogers

Fiscal 2010

Organization	Records Added
University of Hong Kong	91,616
Godfrey Memorial Library	47,234
University of Illinois at Urbana–Champaign	31,935
National Taiwan University	23,946
SELCO	22,682
National Library Board, Singapore	21,798
ProQuest LLC	15,502
The Ohio State University	14,778
University of Chicago	14,084
University of Washington	13,728

Growth of Location Listings

1.61 billion location listings

1981   2010

Location listings are attached to each record to identify libraries that hold the item.

Top 50 Languages Distribution June 30, 2010

	Records		Records		Records
English	83,735,903	Arabic	976,326	Tamil	186,503
German	25,187,591	Finnish	742,540	Yiddish	182,903
French	18,069,481	Indonesian	411,886	Thai	182,501
Spanish	8,204,342	Korean	408,691	Urdu	164,063
Chinese	5,112,942	Norwegian	393,176	Afrikaans	147,510
Italian	3,480,719	Turkish	379,092	Greek (ancient)	124,439
Dutch	3,286,320	Hungarian	360,346	Slovenian	109,665
Japanese	2,985,137	Croatian	344,288	Bengali	103,485
Latin	2,945,316	Catalan	334,036	Malay	97,105
Russian	2,931,243	Greek (modern)	304,465	Sanskrit	74,330
Danish	2,085,096	Serbian (Roman)	288,250	Welsh	68,620
Swedish	1,930,170	Persian	243,246	Icelandic	67,103
Slovak	1,481,758	Hindi	218,547	Telugu	66,158
Portuguese	1,358,054	Ukrainian	212,060	Armenian	64,903
Polish	1,350,147	Vietnamese	210,069	Gujarati	57,048
Hebrew	1,239,521	Bulgarian	202,262	Lithuanian	55,305
Czech	1,169,199	Romanian	199,552		

Year in Review

WorldCat Growth Since 1998

It took the OCLC cooperative 31 years, from 1971 to 2002, to add the first 50 million records in the WorldCat database, and just six years to add the next 50 million records.

Year	Millions of records
98	39
99	41
00	44
01	47
02	50
03	52
04	55
05	61
06	67
07	86
08	108
09	139
10	197

millions of records

Multilingual WorldCat

Since 1998, there has been significant growth in the number of records in each of the languages listed in the chart below.

In millions	1998	2010
English	23.9	83.7
French	2.3	18.0
German	2.2	25.1
Spanish	1.6	8.2
Japanese	.8	2.9
Russian	.8	2.9
Chinese	.7	5.1
Italian	.7	3.4
Latin	.3	2.9
Portuguese	.3	1.3
Dutch	.2	3.2
Hebrew	.2	1.2
Polish	.2	1.3
Arabic	.2	.9
Swedish	.1	1.9

The Collective Collection

OCLC is extending WorldCat to represent the collective collection of the OCLC cooperative, including physical holdings such as books and journals, licensed digital content and the growing array of local content that is being digitized.

Physical holdings in WorldCat

197 million bibliographic records
1.61 billion holdings

Licensed digital content in library collections

446 million records

Local library content being digitized

30 million items
(Google, HathiTrust, OAlster)

As of June 30, 2010

Batchloading Review

OCLC processed 359.2 million records via batchload in fiscal 2010, up from 241.8 million the previous year. The batchload projects listed here are of several types:

- Retrospective—a one-time load for new members
- Ongoing
- Reclamation—reconcile holdings in local catalog with WorldCat
- Library groups
- Local data

In the last two years, OCLC has made significant technological enhancements and workflow improvements to its batchloading processes to accommodate the loading into WorldCat of large files from national libraries and government agencies. Libraries that adopt WorldCat Local run batchload projects to ensure that their holdings are up-to-date.

Records Loaded
in millions

fiscal year	millions
98	14.7
99	34.6
00	31.2
01	22.9
02	22.9
03	27.4
04	24.1
05	37.8
06	86.4
07	139.7
08	212.1
09	241.8
10	359.2
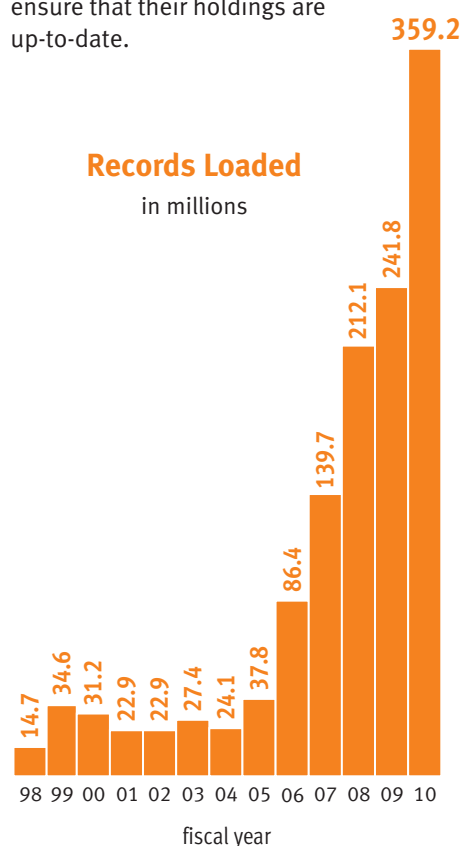
Major Batchloads in Fiscal 2010

Institution Name	Records Processed	Holdings Set	Originals Added
British Library	20,807,642	12,807,921	5,766,918
Danish Union Catalog and Danish National Bibliography	14,818,279	17,810,167	7,596,103
IDS Verbundkoordination	11,562,365	14,588,322	4,894,475
Bibliothèque nationale de France	11,024,867	10,371,031	7,621,053
ABES (l'Agence Bibliographique de l'Enseignement Supérieur)	9,408,307	24,360,717	4,816,953
Bibliotheks Verbund Bayern (BVB)	7,087,250	12,322,243	3,141,339
HeBIS-Verbundzentrale	6,797,392	14,746,018	1,475,094
University of Oklahoma	6,218,646	4,976,269	182,348
University of British Columbia	5,997,177	3,743,783	368,691
Bayerische Staatsbibliothek	5,776,508	5,716,348	958,499
McGill University	5,573,029	3,157,520	458,408
Columbia University	5,338,869	4,908,855	214,397
University of Michigan	4,741,186	3,915,723	13,177
UnityUK	4,513,557	34,615,316	—
University of Florida	4,326,796	3,328,289	46,552
Memorial University of Newfoundland	4,174,656	4,042,212	2,823,328
Cornell University	4,104,007	2,905,751	471,639
University of Alberta	4,103,252	5,074,081	205,358
Biblioteca Nacional de España	3,934,902	3,391,937	3,081,139
New York University	3,341,712	3,295,133	77,826
COBISS.SI – IZUM	3,293,776	4,496,338	3,063,902
Illinois Virtual Catalog	3,073,228	2,303,781	—
University of California, Irvine	2,635,876	2,449,682	77,167
University of California, Northern Regional Library Facility	2,238,672	2,238,359	—
PALNI (Private Academic Library Network of Indiana)	2,215,846	3,903,420	—
Auburn University	2,009,016	2,008,717	2,822
University of Guelph	1,978,781	1,411,840	526,600
Universidad de Valladolid	1,700,276	1,563,702	588,436
National Library of New Zealand	1,665,648	1,399,492	121,561
Old Dominion University	1,658,893	1,531,136	42,828
Library of Congress	1,619,270	1,316,419	142,954
East Carolina University	1,555,054	1,266,923	—
Yankee Book Peddler, Baker & Taylor Cataloging Project	1,528,680	1,528,341	95,127
University of Waterloo	1,494,790	1,485,732	172,229
Occidental College	1,467,192	1,354,486	10,818
University of Colorado at Denver, Auraria	1,436,294	1,354,421	142,231
University of New Hampshire	1,411,696	1,383,180	—
University of Manchester	1,368,023	1,356,259	314,391
Edinburgh University	1,297,055	1,262,347	211,975
Linda Hall Library	1,174,180	1,128,367	1,504
Montana Shared Catalog	1,148,029	1,986,679	—
University of Louisville	1,090,235	1,089,264	—
Digital Content			
Google	n/a	1,741,038	608,486
HathiTrust Digital Library	n/a	6,098,193	2,664,289

Year in Review

Improving WorldCat

Quality control of records in WorldCat is an ongoing effort that involves both the OCLC membership and OCLC itself.

Libraries voluntarily invest their time and expertise in making improvements to WorldCat through the following programs:

- The Expert Community Program, established in 2009, involves an average of 1,000 institutions a month that voluntarily correct or enhance records in WorldCat

- The Enhance Program, established in 1983, today includes 229 institutions (359 OCLC holding symbols) in the U.S., United Kingdom and South Africa

- The Program for Cooperative Cataloging (PCC), established in 1995, includes hundreds of libraries that participate in NACO, SACO, CONSER and BIBCO to contribute and improve authority and bibliographic records in WorldCat.

Duplicate Detection Resolution Software

Removing duplicate records from WorldCat optimizes searching effectiveness and improves productivity in libraries. OCLC began running new Duplicate Detection and Resolution (DDR) software in WorldCat in February 2010. DDR software was developed as an extension of the WorldCat matching algorithms to identify and remove duplicate bibliographic records from WorldCat. OCLC has made significant improvements over the original DDR software that OCLC previously employed.

On September 30, 2010, the DDR software completed its first pass through WorldCat, merging 5.1 million records in the process. In addition, the software has detected and merged 1.1 million duplicates from records being newly added or changed.

OCLC WorldCat Quality Management Division, left to right: Cynthia Whitacre, Shanna Griffith, Jay Weitz, Glenn Patton, Robin Six, Luanne Goodson, Brenda Block, Patty Thomas, Linda Gabel, Hisako Kotaka, Sherry Plymale and Laura Ramsey.

Robert Bremer, Senior Consulting Database Specialist in OCLC's WorldCat Quality Management Division, has created a set of unique macro programs (a single computer instruction that results in a series of instructions in machine language) that is run on the millions of WorldCat records that OCLC processes annually. These macros increase the productivity of Quality Control staff and enable the WorldCat database to rapidly conform to changes in cataloging rules and guidelines.

Activity by Member Libraries

Fiscal 2010	Records
Expert Community	271,626
Database enrichment	198,084
Minimal-level upgrade	176,618
Enhance Regular	176,491
Enhance National	45,451
CONSER Authentication	15,705
CONSER Maintenance	61,949
Total	945,924

Activity by OCLC Quality Staff

Fiscal 2010	Records
Bibliographic records replaced	12,511,044
Records merged	150,992
Authority records created	1,977
Authority records replaced	94,744
CIP records upgraded	16,145
Total	12,774,902

Building Web scale for libraries

OCLC is applying the concept of Web scale—Web-based applications with shared data and services or cloud computing—to amplify the power of library cooperation and create a significant presence on the Web for the OCLC global cooperative.

Libraries now incur the costs of supporting an array of systems for print, licensed and digital materials. Web-scale library services can help reduce these costs by integrating and simplifying workflows.

In building Web-scale services for libraries, OCLC continues to pursue four objectives:

- **Create systemwide efficiencies in library workflow management**
- **Create a compelling end-user environment**
- **Make OCLC Web services a valued part of library operations**
- **Increase OCLC's global relevance and position of trust.**

Cloud computing and OCLC

OCLC Founder Frederick G. Kilgour anticipated today's cloud computing back in 1967. His original design for the OCLC online system called for six subsystems that would connect libraries to a centralized computer resource:

- Online union catalog and shared cataloging
- Serials control
- Technical processing (acquisitions)
- Interlibrary loan
- Retrieval by subject
- Remote catalog access and circulation control

Libraries would access these subsystems from remote workstations. The costs of the hardware and software in the cloud—mainframes owned by the OCLC cooperative—would be shared by the members based on their use of the subsystems.

With implementation of acquisition and circulation modules in its new Web-scale Management Services in 2010, OCLC has now realized Kilgour's visionary design.
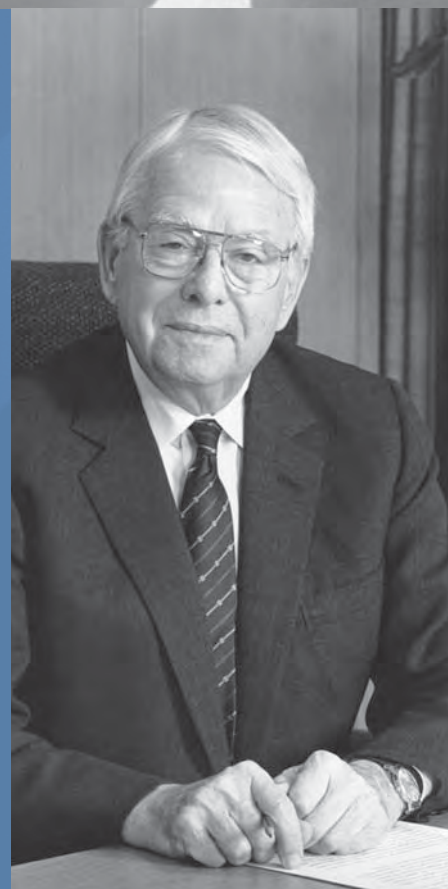
OCLC Web-scale Management Services

Member libraries are now implementing and using the first modules of Web-scale Management Services (WMS): acquisitions and circulation. By moving these functions to the Web, libraries will be able to:

- Increase visibility and accessibility of collections by leveraging the size and scope of WorldCat;

- Eliminate many support issues and basic systems maintenance; and

- Share data, applications and workflow improvements with peer institutions, end-users and partners.

Craven-Pamlico-Carteret Regional Library System

Based in New Bern, North Carolina, the Craven-Pamlico-Carteret (CPC) Regional Library System volunteered to be an early adopter of WMS after participating as a pilot site in 2009–2010. With WMS, CPC libraries use shared hardware and data rather than individually hosting servers and software, thus avoiding maintenance contracts and replacement equipment.

The CPC Regional Library System leadership team, seated, left to right: Margie Garrison, Librarian, Havelock–Craven County Public Library; Jackie Beach, CPC Regional Director; Nancy Chase, Librarian, Cove City–Craven County Public Library; and Vanessa Mullis, CPC Regional Technology Coordinator; standing: Marlene Copeland, Librarian, Vanceboro–Craven County Public Library; Alice Chavez, Librarian, Newport Public Library; Kat Clowers, Librarian, Pamlico County Public Library; Lisa Shelton, CPC Regional Technical Services; and Joanne Straight, Librarian, New Bern–Craven County Public Library.

"The CPC system is very excited about the potential of WMS. We have an opportunity to participate more fully with the OCLC cooperative and a way to streamline our routine processes and be more cost-effective. We like the flexibility of a Web-based system and its ease of use for our staff."

—Jackie Beach
CPC Regional Director

Members of the CPC Regional Library System

Bogue Banks Public Library

Carteret County Public Library

Cove City–Craven County Public Library

Havelock–Craven County Public Library

New Bern–Craven County Public Library

Newport Public Library

Pamlico County Public Library

Vanceboro–Craven County Public Library

Western Carteret Public Library

BIBSYS

The Norwegian library consortium BIBSYS will use a combination of OCLC's Web-scale Management Services for its new library system, which will be implemented in 2012.

"BIBSYS is looking forward to implementing a next-generation library system in close cooperation with our member libraries and OCLC," says Roy Gundersen, Director, BIBSYS. "Our aim is to give researchers and students in Norway an excellent system to support their work."

BIBSYS was established in 1972 and is located in Trondheim, Norway. BIBSYS develops and operates a national library system for more than 100 research, university, college and special libraries, including the National Library of Norway.

"We look forward to a library system that can be closely integrated with other administrative systems that are used in the higher education community in Norway."

—Roy Gundersen
Director, BIBSYS

The Samuel Roberts Noble Foundation

On September 27, 2010, The Samuel Roberts Noble Foundation Library became the first library to implement the production version of OCLC Web-scale Management Services.

Founded in 1945 and headquartered in Ardmore, Oklahoma, the Noble Foundation is a nonprofit organization that conducts agricultural, forage improvement and plant biology research; assists farmers and ranchers through educational and consultative agricultural programs; and provides grants to nonprofit charitable, educational and health organizations. The Noble Foundation Library serves the staff of the Foundation and has access to more than 18,000 journal titles through subscriptions and database full-text resources.

Pat Weaver-Meyers, Director of Library Services, says the Noble Foundation needed to upgrade an outdated system that was placing undue burden on the organization's Information Services staff. She also wanted a system that was regularly updated and focused on newly developed capabilities in the library field. The Library had already implemented WorldCat Local, and its users were comfortable with the interface.

The library team at the Noble Foundation, standing, left to right: Pat Weaver-Meyers, Director of Library Services; and Rebecca Godwin, Library Associate, Circulation/Photo Archiving; seated: Shirley Jones, Senior Library Associate, Acquisitions/Cataloging; and Kim Chekhovskiy, Library Associate, Resource Sharing.

"I have always been pleased with OCLC services and felt that they had a good track record of maintaining and progressively growing a substantial database."

—Pat Weaver-Meyers
Director of Library Services,
The Samuel Roberts Noble Foundation Library

WorldCat Digital Collection Gateway

OCLC's WorldCat Digital Collection Gateway enables managers of OAI-compliant digital repositories to upload the metadata of their digital content to WorldCat in order to gain broader visibility for their digital materials.

National Chengchi University

In June 2010, the National Chengchi University Libraries in Taipei, Taiwan, used the WorldCat Gateway to enter the 500,000th record from the University's theses and dissertations full-text imaging system into WorldCat.

"As a member of the global library community, we take pride in becoming a part of the tremendous resource that is WorldCat, both as a contributor and as a harvester."

—Dr. Jyi-shane Liu
Director of Library & Director of
Social Sciences Center,
National Chengchi University Libraries

OLIB

Barbados National Library Service

The National Library Service of Barbados provides the only public library service in the country. It operates eight branch libraries, runs a mobile service to 33 primary schools and is responsible for developing special libraries in government departments. The Service is installing the OCLC OLIB library management system to support its acquisitions, cataloging and circulation services.

"I was first introduced to OCLC as a Hubert Humphrey fellow on attachment to the University of Pittsburgh. We are now in process of adopting OCLC's OLIB system, which will finish our journey towards providing a library Web presence for our patrons and improving workflows for library staff. OCLC staff have been of great assistance in helping us towards our goals."

—Annette Smith
Director, National Library Service, Barbados

CONTENTdm Digital Collection Management Software

CONTENTdm Digital Collection Management Software enables libraries to store, manage and deliver rare materials and special collections to the Web.

University of Utah

Kenning Arlitsch, Associate Director for Information Technology Services, is a pioneer in digital library development at the University of Utah's J. Willard Marriott Library, which hosts more than 100 digital collections. One of them is Utah Digital Newspapers, which contains some 12 million articles from 50 newspapers and digitized its millionth page in 2010. Mr. Arlitsch is currently on sabbatical from the University of Utah and is working at OCLC on research related to digital collections.

This is the first page of *The Salt Lake Herald-Republican*, September 19, 1916 issue, from which the millionth page was digitized. The Utah Digital Newspapers collection is available at: http://digitalnewspapers.org/.

CBS

Zeitschriftendatenbank (ZDB)

The Zeitschriftendatenbank (ZDB) runs the German National Serials Database on an OCLC CBS system.

The ZDB network is housed in the Staatsbibliothek zu Berlin (Berlin State Library) (above) and the serials database is hosted at the Deutsche Nationalbibliothek (German National Library) in Frankfurt.

The ZDB is the world's largest union catalog for serial titles and is also a network for 4,300 German libraries. ZDB libraries use the OCLC CBS system for cooperative cataloging and to distribute records and updates to the regional networks in different formats (and from there to the local library systems).

"Libraries in Germany are increasingly replacing printed editions by licensing bundles of e-journals and e-books. Catalogers in libraries must keep pace with this growth. We are implementing new features for managing bundles of electronic journals and license information to enhance ZDB's function as a comprehensive knowledge base for serials."

—Johann Rolschewski
Acting Director, ZDB

WorldCat.org

In 2005, OCLC introduced WorldCat.org, which makes collections in OCLC member libraries visible on the Internet to people everywhere. WorldCat.org helps drive Web traffic to the library by connecting search engines, booksellers, social networking sites, online bibliographies, library portals and commercial publishers.

Average monthly traffic from WorldCat.org in fiscal 2010:

- 1.8 million unique users
- 703,000 click-throughs to library services
- 12.5 million page views
- 5.6 million full-record views.

In addition to exposing library records within popular Web sites, WorldCat.org also is a dedicated site that users can go to directly for discovering library collections and receiving library content and reference services.

The WorldCat.org Web site

Top 10 sites driving traffic to WorldCat.org since the program began in 2005

Referrer	Clicks
Google	56,757,473
Yahoo!	13,631,766
Universität Karlsruhe	3,207,139
Open Library	2,067,104
Wikipedia	1,956,329
Scientific Commons	767,745
EasyBib	645,619
Better World Books	447,167
Lexile	445,298
Bing	409,541

Referrals to WorldCat.org

in thousands

fiscal year	
05	58,245
06	63,211
07	129,367
08	134,669
09	154,693
10	150,066

Clicks to library services

in thousands

fiscal year	
05	1,534
06	1,932
07	7,609
08	8,948
09	9,708
10	8,437
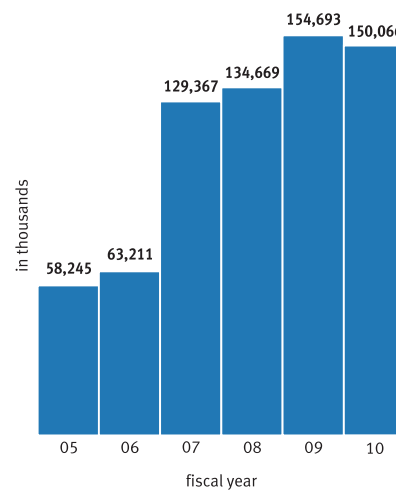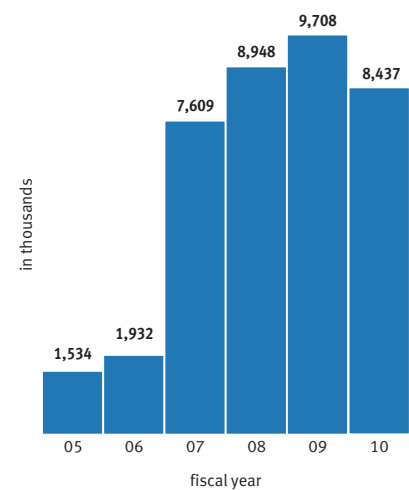
WorldCat Mobile

OCLC is using mobile search technology to bring WorldCat to the small screen. WorldCat Mobile beta integrates WorldCat.org into the consumer wireless space and helps libraries appeal to the ever-growing audience of mobile device users.

A library with WorldCat Local can also access a custom, mobile-specific version of its WorldCat Local implementation that lets users determine shelf status, reserve an item or view digital content from their mobile devices. Moreover, libraries that are listed in the free, Web-based WorldCat Registry are also represented via mobile devices.

Users search for library materials with WorldCat Mobile beta, which provides location-based holdings information as well as dynamic mapping and directions to libraries. Users also can click to call or e-mail a library and link to reference pages.

Create a compelling end-user environment

WorldCat Local

WorldCat Local provides a single interface to the collections of a library. It is moving library management services, such as the online public access catalog, circulation and acquisitions, into the cloud computing environment where new features and functionality are delivered over the network rather than installed and run on local computers.

York St John University

York St John University went live with WorldCat Local in August 2010 and was the first academic institution in the United Kingdom to implement WorldCat Local as its new library end-user discovery interface.

The WorldCat Local team at York St John University, left to right: Lauren Shipley, Digital Archive, Web/Systems Support Librarian/Senior Acquisitions Assistant; Helen Westmancoat, Deputy University Librarian; Tony Chalcraft, University Librarian; and Ruth Mardall, Database Librarian.

York St John University Library

St. Xavier University

St. Xavier University Library, Chicago, Illinois, began using WorldCat Local in 2009, providing the library with the ability to bring together the multitude of databases, journals, catalogs and other resources the library offered.

Seated, left to right: Karen Loranger, Coordinator; Sheila Murphy, Library Technician; Cassandra Ozouf, Circulation Desk Attendant; David Kohut, Librarian; and Marcia Renardo, Circulation Desk Attendant.

Standing, left to right: Linda Francis, Library Technician; Whitney Matthis, Circulation Desk Attendant; Christine Wiseman, President, St. Xavier University; Mark Vargas, Library Director; Anita Morgan, Technical Services Librarian; James Kusik, Librarian; Rosanna Edwards, Circulation Desk Coordinator; Maureen L'Amas, Circulation Desk Coordinator; and Peg Hoefferle, Library Technician.

Not pictured: Anne Buchanan, Kelly Hand, John McDonald, Noreen Sullivan and Ursula Zyzik.

"WorldCat Local takes the drudgery out of discovery. It just simplifies things tremendously. It's intuitive, and students and faculty can run with it. We completely transformed the way we do instruction, eliminating time spent teaching patrons how to use various resources. We can help them spend more time on what research is really supposed to be about, and that is evaluating information and critical thinking skills."

—Mark Vargas
Library Director, St. Xavier University

St. Xavier University Library

OCLC TouchPoint

OCLC TouchPoint is a Web-based interface that provides easy access to library materials.

Gemeinsamer Bibliotheksverbund (GBV)

Based in Göttingen, the Gemeinsamer Bibliotheksverbund (GBV) is the common library network for more than 400 institutions in the seven German federal states of Bremen, Hamburg, Mecklenburg-Western Pomerania, Lower Saxony, Saxony-Anhalt, Schleswig-Holstein and Thuringia, and the Foundation of Prussian Cultural Heritage.

"TouchPoint provides us with a cost-effective solution that includes flexible administration, modular design, personalization features and tight integration with our local LBS3/4 library management system and our Lucene/SOLR index platform," said Reiner Diedrichs, Director, Head Office of the Common Library Network (GBV). "In addition, we have had an excellent working relationship with OCLC while integrating TouchPoint into the GBV environments."

"Functionality and ease of implementation were crucial to the GBV in adopting an end-user environment for its library system."

—Reiner Diedrichs
Director, Head Office of the
Common Library Network (GBV)

Bianca Rühling from the Head Office of the Common Library Network GBV, points out salient features of the OCLC TouchPoint interface at a meeting on October 4, 2010. The head office of the GBV supports more than 170 libraries in running a local library system with OCLC LBS software that supports an online public access catalog (OPAC), acquisitions and circulation.

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Create a compelling end-user environment

QuestionPoint

Developed by the Library of Congress and OCLC, the QuestionPoint virtual reference service is helping more than 2,000 libraries in 30 countries answer patrons' questions through cooperation.

"QuestionPoint is the only cooperative and virtual reference service used by Sun Yat-sen University Libraries. We also cooperate with the Central and Regional Library Berlin, Germany, to answer their users' questions about Chinese literatures via QuestionPoint."

—Xiaoqing CAI
Reference Service Department,
Sun Yat-sen University Libraries and
2005 Jay Jordan IFLA/OCLC Early Career Development Fellow

QuestionPoint provides virtual reference services for 84,677 students and 12,547 faculty staff (affiliated hospitals included) of the four campuses of Sun Yat-sen University.

Ask Scotland

Coordinated by the Scottish Library and Information Council, Ask Scotland uses QuestionPoint to combine the resources and professional expertise of 14 libraries in Scotland to provide its users with "real answers from real people."

"The main benefit of Ask Scotland is that it links you to an expert who has access to a wealth of information and resources held in Scotland's libraries, ensuring that you receive a fast, fully researched and accurate response to any question. I will certainly be taking advantage of the service!"

—Neil Oliver
Scottish historian, author
and broadcaster

OCLC Web services

OCLC Web services are software components that can be recombined and reused with library applications in the network cloud. Often referred to as APIs (Application Programming Interfaces), they enhance library systems by integrating WorldCat data and functionality with library Web sites, link resolvers, catalog tools and other services.

OCLC Developer Network

The OCLC Developer Network is a community of developers collaborating to propose, discuss and test OCLC Web Services. The developers meet at library conferences and special events, such as WorldCat Mashathons. To date, more than 60 applications have been created by the Developer Network.

Wade Guidry, Library Applications Administrator at the Collins Memorial Library at the University of Puget Sound is a member of the OCLC Developer Network. He created a mashup that lets Puget Sound library users find books on the *New York Times* best-sellers list in WorldCat on the library's home page.

On September 23–24, 2010, the fifth WorldCat Mashathon was held in Boston at the Microsoft New England Research & Development Center under the sponsorship of Brandeis University and the OCLC Developer Network.

"Overall, the Developer Network and its associated events have been great training and support resources for me, and I look forward to my next opportunity to put them to good use."

—Wade Guidry
Library Applications Administrator,
Collins Memorial Library,
University of Puget Sound

OCLC Research

Founded in 1978, OCLC Research is one of the world's leading centers devoted exclusively to the challenges facing libraries in a rapidly changing information technology environment. OCLC researchers are working in these areas:

- Exploring the role of libraries in management of scholarly research information (Research Information Management)

- Making unique materials in libraries, museums and archives available for access, discovery and delivery (Mobilizing Unique Materials)

- Creating new ways to create and maintain metadata, model workflows and facilitate discovery of research institutions' resources by users wherever they are (Metadata Support and Management)

- Participating with research institutions and OCLC member libraries in development and support of needed architecture and standards (Infrastructure Standards and Support)

- Helping libraries, archives and museums advance through utilizing cooperative models of acquiring, managing and disclosing collections (System-wide Organization)

- Identifying and sharing recommendations on how to better serve library users' needs now and in the future (User Behavior Studies and Synthesis).

WorldCat Genres

OCLC researchers have devised a new way for WorldCat users to discover library resources. WorldCat Genres is an experimental service that enables users to browse WorldCat for authors, topics, characters and places by genre heading.

"WorldCat is a vast resource that contains rich information about millions of creative works. We want to take advantage of this content in services that are useful and interesting for library users."

—Diane Vizine-Goetz
Senior Research Scientist
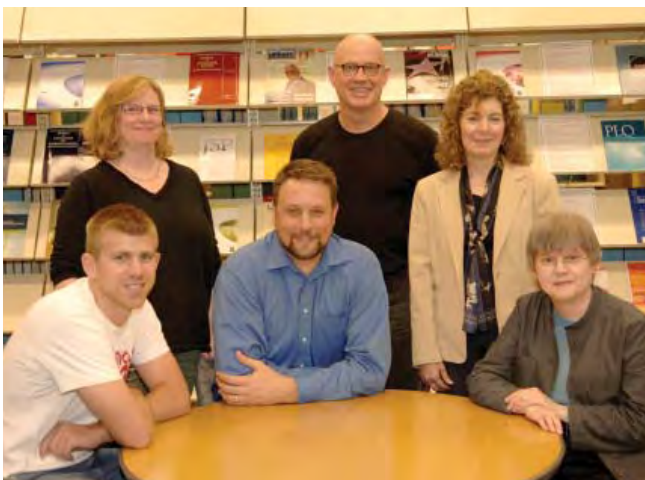
WorldCat Genres team, left to right: James Buettner, Software Developer, WorldCat.org; JD Shipengrover, Senior Web & User Interface Designer; Bob Schulz, Product Manager, WorldCat.org; Roger Thompson, Consulting Software Engineer; Diane Vizine-Goetz, Senior Research Scientist; and Carol Hickey, Research Support Specialist.
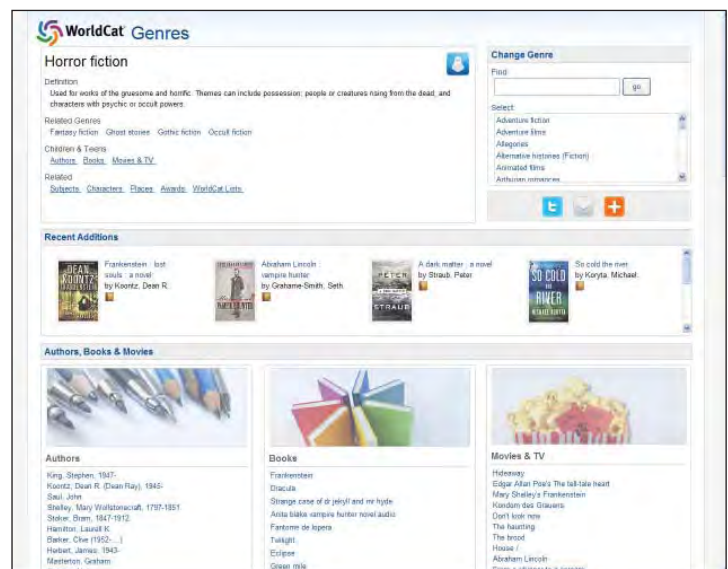
A sample of what a user can retrieve from WorldCat using the subject heading "horror fiction." In addition to love stories and spy stories, other popular fiction genres in WorldCat include these categories: historical, adventure, fantasy, mystery and science fiction.

MapFAST

MapFAST is an OCLC Research prototype that uses Faceted Application of Subject Terminology (FAST) subject headings to map the geographic locations of library resources. It combines FAST geographic subjects with a Google Maps mashup to see surrounding locations related to a search into either Worldcat or Google Books.

MapFAST takes a user from a map that locates Stellenbosch, South Africa, to items in WorldCat related to that geographic location, then tells the user which libraries have a particular item.

"With MapFAST, we are creating a new way to find location-based information in WorldCat."

—Rick Bennett
Consulting Software Engineer,
OCLC Research

The MapFAST team, left to right:
Rick Bennett, Consulting Software Engineer; JD Shipengrover, Senior Web & User Interface Designer; and Kerre Kammerer, Consulting Software Engineer. Not pictured: Ed O'Neill, Senior Research Scientist.

RLG Partnership

Created in 2006 with the coming together of RLG and OCLC, the RLG Partnership is a global alliance of libraries, archives and museums that focuses on making operational processes more efficient and shaping new scholarly services. More than 100 institutions support the work of the Partnership through payment of annual dues and active staff engagement in a program of work within OCLC Research. One area of emphasis, "Mobilizing unique materials," focuses on economies and efficiencies in providing access to unique materials.

RLG Partners annual meeting, June 9–10, Chicago, Illinois.

"Special collections and archives are increasingly recognized as the chief means of distinguishing today's research libraries from each other, and the means by which they provide service to the broader scholarly community. Just as ARL's 1998 survey proved transformative, we hope that our data and recommendations will serve as catalysts for forward progress."

—Jackie Dooley
Program Officer, OCLC Research

Taking Our Pulse: The OCLC Research Survey of Special Collections and Archives

In 1998, the Association of Research Libraries conducted a landmark study that led to high-profile initiatives to expose the "hidden collections" of rare and unique materials in research institutions. Building on that study, in 2009 OCLC Research surveyed 275 research institutions in Canada and the U.S. to collect statistics about their special collections and archives, including digitized and born-digital resources as well as print materials. Survey results were published in *Taking Our Pulse*. The report recommended actions that research institutions can take both individually and collectively to ensure increased access to their rare and unique materials for current and future generations.

Old Reading Room, Folger Shakespeare Library

Advocacy

Membership reports

In 2003, OCLC launched a major initiative to build a body of international market research that analyzes information from the perspective of the information consumer and to share that research both inside and outside the library community. In compiling these reports, OCLC has worked with library and information experts throughout the world as well as organizations such as Gartner, Outsell and Harris Interactive.

"How libraries stack up: 2010" is being used by libraries to demonstrate their worth to library users, to boards of trustees, to government officials and to other funding bodies. It has also received widespread media coverage. The report is available for download at www.oclc. org/reports/stackup. The report has been accessed nearly 10,000 times since its posting on the OCLC Web site.

How libraries stack up: 2010

In America, we go to libraries to find jobs, create new careers and help grow our small businesses. We borrow books, journals, music and movies. We learn to use the latest technology. We get the tools and information needed to reenter the workforce. We get our questions answered, engage in civic activities, meet with friends and co-workers and improve our skills at one of the 16,600 U.S. public libraries. Every day, our public libraries deliver millions of dollars in resources and support that meet the critical needs of our communities.

Here are a few of the ways that our public libraries stack up.

Every day **300,000** Americans get **job-seeking help** at their public library.

Hot spots

U.S. public libraries with free Wi-Fi **12,000**

Most public libraries provide free wireless Internet access for their users. Nearly 12,000 now offer free Wi-Fi. That's more than Starbucks, Barnes & Noble or Borders.

Starbucks **11,000**

Borders and Barnes & Noble **1,300**

Taking care of business

2.8 million times every month business owners and employees use resources at public libraries to support their small businesses.

quotes in right column

"This report positions libraries as essential to the day-to-day living of our communities. It provides context for me as I talk about my library."

—Alison Circle
Marketing, Communications & Brand Management
Columbus Metropolitan Library

Geek the Library

In 2009, with grant funding from the Bill & Melinda Gates Foundation, OCLC piloted the 'Geek the Library' community awareness campaign in selected communities in the United States. The goals of the campaign were to inspire conversations at the local level about the vital role the library plays in today's challenging economic environment and to raise awareness about critical funding issues facing many public library systems.

Pilot libraries used the campaign to position the library as a critical asset for individuals—to find jobs, re-educate themselves and enhance literacy; and for the community—access to technology, continuing education and economic benefits.

The program demonstrated that libraries can improve public perceptions and influence community support through direct awareness campaigns.

The Geek the Library awareness campaign is now available for adoption by any U.S. public library.

http://get.geekthelibrary.org/

"The campaign has raised awareness of our financial needs and strengthened our partnerships within the community. More than anything, the quality of the promotional materials has helped brand the library as progressive and active."

—Laura Guenin
Public Relations Manager, Shelbyville-Shelby County Public Library,
Shelbyville, Indiana

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Board of Trustees

Strategic Leadership Team

Seated, left to right:

Karen Calhoun
Vice President
Metadata Applications

Mike Teets
Vice President
Innovation

Andrew Wang
Vice President
OCLC Asia Pacific

Jim Michalko
Vice President
RLG Programs Development

Greg Zick
Vice President
Global Engineering

Jim Houfek
Vice President and
General Counsel

Robin Murray
Vice President
Global Product Management (OCLC EMEA)

Standing, left to right:

Cathy De Rosa
Vice President for the Americas
and Global Vice President of Marketing

Rein van Charldorp
Managing Director
OCLC EMEA

George Needham
Vice President
Global and Regional Councils

Gene Oliver
Executive Director
Systems Management

Jay Jordan
President and Chief Executive Officer

Tammi Spayde
Vice President
Corporate Human Resources

Rick Schwieterman
Executive Vice President and
Chief Financial Officer

Bruce Crocco
Vice President
Library Services for the Americas

Lorcan Dempsey
Vice President, Research and
Chief Strategist

Chip Nilges
Vice President
Business Development

OCLC Global Council

The voice of OCLC member libraries

The 2009/2010 OCLC Global Council Meeting, April 19–21, 2010

I have the honor of presenting the first report of the OCLC Global Council.

In 2009/2010, the Board of Trustees and Members Council began implementing a new governance structure designed to extend participation in the OCLC cooperative to an increasing number of libraries, archives and museums around the world.

On July 1, 2009, delegates with unexpired terms from the 2008/2009 OCLC Members Council became inaugural delegates to the OCLC Global Council. These delegates convened in Dublin, Ohio, USA, for the first meeting of the OCLC Global Council, April 19–21, 2010. Delegates also conducted a virtual meeting on June 21, 2010.

The governance transition included the following events.

The OCLC Asia Pacific Regional Council met for the first time on September 7, 2009, in Beijing, China. The meeting was chaired by ChewLeng Beh, Senior Director, National Library Board, Singapore.

The OCLC EMEA (Europe, the Middle East and Africa) Regional Council met for the first time on February 24, 2010, in Leiden, the Netherlands. The meeting was chaired by Berndt Dugall, Director, Universität Frankfurt, Germany.

The OCLC Americas Regional Council held an informational meeting on January 15, 2010, in Boston, Massachusetts, and its formal meeting on June 24, 2010, in Washington, D.C. The meetings were chaired by Patrick Wilkinson, Library Director, University of Wisconsin–Oshkosh.

I would like to thank and acknowledge ChewLeng Beh, Berndt Dugall and Patrick Wilkinson and their executive committees for their leadership in creating the Regional Councils. These groups established their own local procedures. They addressed regional issues that informed the Global Council agenda. Pursuant to the new governance structure, they also elected delegates to three-year terms on the 2010/2011 Global Council. Overall, more than 700 OCLC members from 37 countries participated directly in these Regional Council meetings. It is worth noting that participation was optional, and the attendees paid their own travel expenses, with OCLC paying only for the food and technology to make it happen.

In its first year, the Global Council focused its programs and discussions on OCLC as a global cooperative. Our agenda included four major topics: 1) shared values, 2) cost-sharing and pricing strategies, 3) WorldCat record use policy, and 4) membership and governance protocols. Permit me to address each of these.

Shared Values

In the transition to the new governance structure, the last Members Council challenged the Global Council to identify values shared by members of the cooperative. Through online discussions throughout the year, Global Delegates arrived at this set of shared values, which we believe are core to the OCLC cooperative. See www.oclc.org/us/en/membership/values_principles.pdf.

- Cooperative Engagement
- Economy of Scale
- Excellence
- Inclusivity
- Innovation & Research

- Open Communication
- Respect
- Sharing
- Sustainability
- Trust

Cost Sharing

The Global Council Executive Committee appointed a task force, chaired by John Helmer, to study and make recommendations about OCLC cost sharing and differential pricing to further strengthen OCLC products and services for libraries and cultural institutions and their users worldwide. The task force developed principles for OCLC cost sharing/ pricing that can be viewed at the Global Council Web site. See www.oclc.org/us/en/councils/documents/cost_ sharing.pdf.

Subsequently, OCLC management has asked the Council to form another task force to look at various pricing models.

WorldCat Record Use Policy

During the year, the Global Council was closely involved in the process of developing a new record use policy. Indeed, Jennifer Younger, Vice President/President-Elect, was co-chair of the Record Use Policy Council. The Policy Council engaged Global Council delegates many times. I speak for the entire Global Council in expressing our thanks to the Policy Council and the Board for responding so quickly to this membership concern. See www.oclc.org/us/en/ worldcat/catalog/principles/.

Protocols

The Global Council Executive Committee worked with the Board of Trustees Membership Committee to refine the definition of membership in the OCLC cooperative.

Global Council Actions

At the April meeting, Global Council elected Brian E.C. Schottlaender, The Audrey Geisel University Librarian, University of California, San Diego Libraries, to a four-year term on the OCLC Board of Trustees. He will be seated on the Board in November 2010.

At the virtual meeting on June 22, delegates ratified "WorldCat Rights and Responsibilities for the OCLC Cooperative" (record use policy), the "WorldCat Principles of Cooperation" and the recommendations of the Cost Sharing and Pricing Strategies Task Force.

Our first year has been exhilarating. Thanks to the involvement and cooperation of participants in the Regional Councils and delegates in the Global Council, we accomplished much. In many ways, our efforts comprised a year-long celebration of OCLC as a global cooperative.

Jan Ison

2009/2010 President
OCLC Global Council

OCLC Global Council delegates 2009/2010

OCLC Global Council

www.oclc.org/us/en/councils/global/

Joan Heath
Texas State University
San Marcos

John Helmer
Orbis Cascade Alliance

Deanne Holshouser
Edwardsville Public Library

Jieh Hsiang
National Taiwan University
Library

Jan Ison
Lincoln Trail Libraries System

Graham Jefcoate
Radboud Universiteit Nijmegen

Tetsuo Kato
Waseda University

Charles Kratz
University of Scranton

Ishwar Laxminarayan
Jackson District Library

Karen Lequay
The University of the West Indies

Meribah Mansfield
Worthington Libraries

Daniel Mattes
Universidad Anahuac México
Norte

Lyn McKinney
Billings Senior High School

Cathy Norton
Oceanographic Institution

Loretta Parham
The Atlanta University Center

Stephen Podgajny
Portland Public Library

Anne Prestamo
Oklahoma State University

Brian E.C. Schottlaender
UC San Diego Libraries

Ted Schwitzner
Illinois State University

Robert Shupe
Mohave County Library

Gregg Silvis
University of Delaware Library

Pamela Snelson
Franklin & Marshall College

Samson Soong
The Hong Kong University of
Science & Technology

Wilbur Stolt
University of North Dakota

John Szabo
Atlanta-Fulton Public Library
System

Sheryl Taylor
Dordt College

John Teskey
University of New Brunswick

Gwenda Thomas
Rhodes University

Anne Van Camp
Smithsonian Institution Archives

Lamar Veatch
Georgia Public Library Service

Susan Barnes Whyte
Linfield College

Kendall Wiggin
Connecticut State Library

Patrick Wilkinson
University of Wisconsin–
Oshkosh

Fangyu Xue
Tsinghua University

Jennifer Younger
University of Notre Dame

The 2009/2010 OCLC Global Council Executive Committee

Berndt Dugall,
Delegate-at-Large

Left to right: Jan Ison, President; Pat Wilkinson, Delegate-at-Large; Jennifer Younger, Vice President/
President-Elect; Vic Elliott, Delegate-at-Large; Anne Prestamo, Delegate-at-Large; Rich Van Orden,
Program Director, Global and Regional Councils; ChewLeng Beh, Delegate-at-Large; and
Gwenda Thomas, Delegate-at-Large.

Advisory Committees

www.oclc.org/membership/advisorycommittees/

Collections and Technical Services Advisory Committee

Jennifer Baxmeyer
Princeton University

Lisa Bodenheimer
Clemson University

Sally Grucan
Wesleyan University

Joseph Hafner
McGill University

Stephen Hearn
University of Minnesota

Stuart Hunt
University of Warwick

Emily Jaycox
Missouri Historical Society

Hana Kapic
Phoenix Public Library

Andrea Kappler
Evansville Vanderburgh Public Library

Maureen Walsh
The Ohio State University

Amy Wood
Center for Research Libraries

Dewey Decimal Classification Editorial Policy Committee

Karl Debus-López
LC Continuing Member
Library of Congress

David Farris
Library and Archives Canada/Bibliothèque et Archives Canada

Jonathan Furner
University of California at Los Angeles

Andrea Kappler
Evansville Vanderburgh Public Library

Caroline Kent, EPC Chair
British Library

Lyn McKinney
Billings Senior High School Library

Anne Robertson, EPC Vice Chair
Australian Committee on Cataloguing

Deborah Rose-Lefmann
Northwestern University

Sandra Singh
University of British Columbia

Welna van Eeden
University of South Africa

Web-scale Management Services Library Advisory Council

Helene Blowers
Columbus Metropolitan Library

John Helmer
Orbis Cascade Alliance

Jan Ison
Lincoln Trail Libraries System

R. David Lankes
Syracuse University

Sarah McHugh
Montana State Library

Andrew Pace
OCLC

Mary Piorun
University of Massachusetts
Medical Center

Tim Rogers
NCLIVE

John Teskey
University of New Brunswick

Record Use Policy Council

ChewLeng Beh
Singapore National Library Board

Raymond Bérard
ABES

Karen Calhoun
OCLC

Klaus Ceynowa
Bayerische Staatsbibliothek

Christopher Cole
National Agricultural Library

Lorcan Dempsey
OCLC Research

Nancy Eaton
Penn State University

Barbara Gubbin (Co-Chair)
Jacksonville Public Library

Clifford A. Lynch
Coalition for Networked Information (CNI)

Brian E.C. Schottlaender
University of California San Diego Libraries

Lamar Veatch
Georgia Public Library Service—
University System of Georgia

Jennifer Younger (Co-Chair)
University of Notre Dame

Financial Report 2009/2010

Report of the Audit Committee

The Audit Committee, consisting entirely of independent trustees, assists the Board of Trustees in its oversight of OCLC's financial reporting process, and is responsible for, among other things, reviewing with Deloitte & Touche LLP, our independent auditors, the scope and results of its audit engagement.

The management of OCLC has the primary responsibility for the preparation and integrity of OCLC's financial statements, accounting and financial reporting principles, and internal controls and procedures designed to assure compliance with accounting standards and applicable laws and regulations. OCLC's independent auditors are responsible for performing an independent audit of the consolidated financial statements and expressing an opinion on their conformity with accounting principles generally accepted in the United States of America.

The accompanying condensed consolidated financial statements and financial information included elsewhere in the annual report are derived from the audited consolidated financial statements and include amounts that represent the best estimates and judgments of management.

In fulfilling its oversight responsibilities, the Audit Committee has:

- Reviewed and discussed with management the audited consolidated financial statements of OCLC for fiscal 2010

- Discussed with Deloitte & Touche LLP the matters required by Statement on Auditing Standards No. 114, *The Auditor's Communication With Those Charged With Governance*

- Received from and discussed with Deloitte & Touche LLP the communications required by AICPA Independence Rule 101.

Based on the Audit Committee's independent discussions with management and the independent auditors, and the Audit Committee's review of the representations of management, and the report of the independent auditors to the Audit Committee, the Audit Committee recommended to the Board of Trustees that the audited consolidated financial statements for the year ended June 30, 2010 be accepted. The audited consolidated financial statements, accepted by the Board of Trustees, appear on OCLC's Web site at www.oclc.org/news/publications/financial.

Audit Committee

Maggie Farrell, Chair
Edward W. Barry
Bernadette Gray-Little
Kathleen Imhoff
David P. Lauer
David Roselle
Sandra Yee
Larry Alford

Management Representatives

Jay Jordan
 President and
 Chief Executive Officer, OCLC

Rick J. Schwieterman
 Executive Vice President and
 Chief Financial Officer, OCLC

Financial Review and Management Commentary

Introduction

OCLC is a nonprofit, membership, computer library service and research organization whose public purposes of furthering access to the world's information and reducing library costs dominate its plans and activities. In support of these purposes, OCLC strives to maintain a strong financial base by operating in a business-like manner in order to accommodate growth, upgrade technological platforms, conduct research and development and still subsidize worthwhile projects for the benefit of libraries and their users. OCLC follows a conservative, nonaggressive accounting and operating philosophy in maintaining its financial reporting and internal control systems.

Fiscal 2010

While the global economy showed signs of recovery during fiscal 2010, economic uncertainty continued in Europe and North America. Unemployment rates remained high worldwide, and library budgets continued to be restricted.

Historically, OCLC has operated at near breakeven, realizing cost-share revenues that approximate the costs to deliver services and programs to the membership. In fiscal 2010, OCLC's cost-share revenues were $228.1 million, down 5.1 percent from fiscal 2009 revenues of $240.5 million, primarily due to the divestitures of the Preservation Service Center, the NetLibrary Division and the rights to license certain third-party databases previously available on the OCLC FirstSearch service. Net Contribution or Excess of Cost-Share

Revenues over Expenses in fiscal 2010 was $23.4 million. These results are best understood by a comparison of business activities in fiscal years 2010 and 2009.
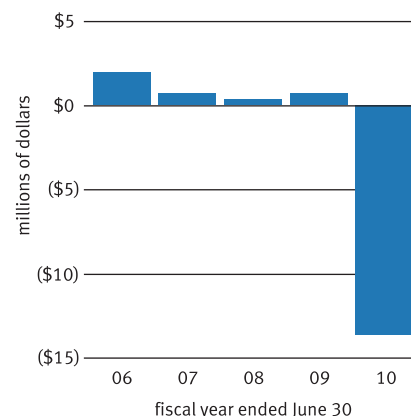
Operating Results

OCLC had an operating loss in fiscal 2010 of $13.7 million, compared to a near breakeven result of $710,000 in fiscal 2009. This decline is due to the following: significant investment in the WorldCat database and new products and services; no cost-share price increases for cataloging and resource sharing services in North America and minimal increase elsewhere in the cooperative; and severance and organizational costs related to divestitures.

With the concurrence of the Board of Trustees and Global Council, OCLC strives to achieve an annual contribution (including income from the investment portfolio) on a five-year rolling average of 4 to 6 percent to maintain long-term financial viability in pursuing its public purposes. OCLC recognizes that in some years it will meet or exceed that objective, while in others it will not. In four of the past five years, OCLC has achieved positive operating results, while fluctuations in its investment portfolio have affected total contribution each year. The five-year rolling average net contribution as a percent of revenues through fiscal 2010 was 3.6 percent, compared to 2.9 percent through fiscal 2009. Excluding dividend and interest income and portfolio and other gains, the five-year rolling average as a percent of revenues through 2010 was -0.9 percent, compared to 0.4 percent through fiscal 2009.

Operating Results before Investment & Nonrecurring Activities
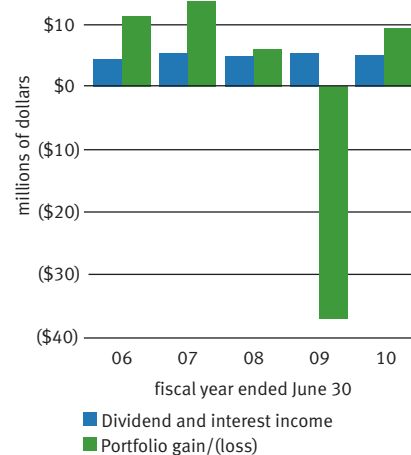

Investment activities include portfolio gain/(loss) and dividend and interest income. Nonrecurring activities include gains/(loss) on acquisition and sale of product lines.

Investment Activities

As of June 30, 2010, the investment portfolio stood at $157.5 million, of which $53.7 million secures library deposits under the subscription deposit program and deferred revenues for library services. OCLC returns to libraries 4 percent interest on subscription deposit balances, which are applied to payments for OCLC services. Realized gains and losses are reflected in the annual net contribution.

Dividend and Interest Income, Portfolio Gain/(Loss)

Consolidated Activities	Fiscal Year	
(Amounts in Thousands)	**2010**	**2009**
Operating Results	$ (13,680)	$710
Investment activities		
Dividends and Interest Income	5,150	5,240
Net Realized Gains/(Losses) on Investment Portfolio	9,440	(37,160)
Gain on Sale of Product Lines	22,490	
Net Contribution/(Loss)	$23,400	$(31,210)

Product/Service Review

In fiscal 2010, OCLC's cost-share revenues were generated in the following eight product portfolios (see Services Legend on page 42).

Metadata Services cost-share revenues increased to $90.1 million from $87.1 million the previous year, due to expanded services to libraries. The number of books and other materials cataloged online decreased from 32 million in fiscal 2009 to 30.1 million in fiscal 2010; while the number of items cataloged by batchloading increased to 359.2 million, up from 241.8 million the previous year, due to process improvements and loading of several large national library files.

Delivery Services cost-share revenues increased $3 million to $51.5 million, with WorldCat Resource Sharing generating $2 million of the increase; ILLiad, $400,000; and WorldCat Navigator, $300,000. The number of online interlibrary loans decreased slightly from 10.3 million to 10.2 million, and the number of interlibrary loan fee management transactions also decreased slightly from 1,037,000 to 988,000.

Cost-share revenues in Management Systems were $17.3 million, down $200,000 from fiscal 2009. The results included increases of $300,000 from Amlib and $200,000 from Central Bibliographic Systems (CBS). There were decreases of $300,000 each from the OLIB service and the National Archives and Records Administration Project.

Cost-share revenues in Networked Library Services (Collection Analysis) declined $600,000 from fiscal 2009 to $1 million.

End User cost-share revenues were $28.4 million, a decrease of $400,000 from fiscal 2009. While revenues for FirstSearch OCLC Content, PiCarta, Elektra, ZPORTAL, ArchiveGrid and QuestionPoint declined a total of $1 million, revenues for WorldCat Local increased $500,000.

Licensed Content cost-share revenues were $24.1 million, $7.8 million lower than in

fiscal 2009, due to partial-year impact of the divestiture of NetLibrary and the rights to license certain third-party databases previously sold on the OCLC FirstSearch service.

Cost-share revenues in Digital Collection Services increased $500,000 to $4.8 million, including an $800,000 increase in CONTENTdm. Digital records in WorldCat added via the Digital Collection Gateway increased to 1.2 million, up from 215,000 the prior year.
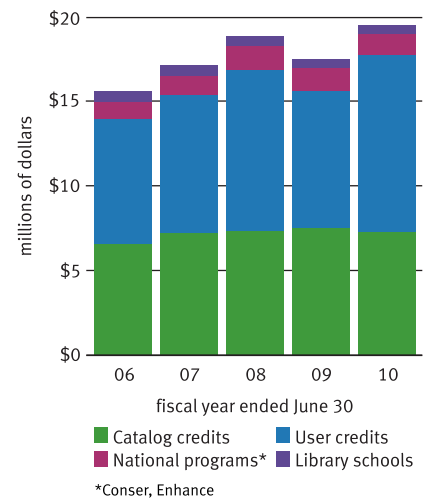
Other cost-share revenues in fiscal 2010 were $10.9 million, a decrease of $9.9 million from fiscal 2009. Reflected in the decrease was the sale of the Preservation Service Center operation as well as a $3.1 million decrease in WebJunction revenue, which is primarily grant-related.

Cost-Sharing Actions, Credits, Subsidies and Cooperative Programs

OCLC's chartered objective of reducing the rate of rise of library costs is a key element in its financial strategy and has been part of its social contract with members since 1967. OCLC seeks to equitably share among participating libraries the costs of providing services, operating cooperative programs and maintaining long-term viability. Consistent with its public purposes, OCLC has held its cumulative cost-sharing increases substantially below the level of inflation that educational institutions have experienced (see chart, "Percent Change in HEPI and OCLC Cost Sharing," on page 6).

In fiscal 2010, OCLC provided libraries with $19.6 million in credits, incentives and subsidies for cooperative programs, primarily for cataloging and resource sharing, to encourage the growth and quality of WorldCat. Credits, incentives and subsidies in the past five years totaled $89 million, clearly demonstrating OCLC's commitment to its public purposes.

OCLC credits, subsidies and cooperative programs

fiscal year ended June 30

- ■ Catalog credits ■ User credits
- ■ National programs* ■ Library schools

*Conser, Enhance

Participation Outside the U.S.

In fiscal 2010, OCLC's cost-share revenues from libraries and institutions outside the U.S. decreased $600,000, to $54.8 million (see chart below, "Non-U.S. cost-share revenues by region"). Currency translation increased revenues by $700,000 in fiscal 2010, compared to a $2.9 million reduction in fiscal 2009.

Non-U.S. cost-share revenues by region

fiscal year ended June 30

- ■ EMEA ■ Asia Pacific ■ Canada
- ■ Latin America
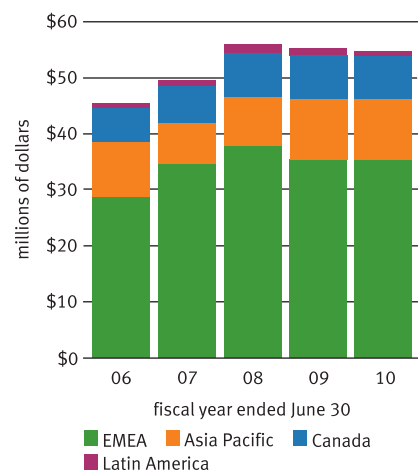
Enterprise Resource Investment

OCLC continuously invests in new hardware, software, databases and development of systems to provide services to participating institutions. This investment fluctuates, depending on service growth, new product introductions and replacement cycles for buildings, equipment and software. In fiscal 2010, enterprise resource investment was $17 million (including capitalized development costs), a decrease of 35 percent from $26.2 million the previous year. Over the last five years, enterprise resource investment has totaled $99.7 million, reflecting OCLC's commitment to upgrade existing computer systems, develop and implement new library services, and maintain existing services to libraries.

Research and Development

Research and capitalized development expenditures in fiscal 2010 were $28.7 million, compared to $37.9 million the previous year. Development efforts focused on OCLC's strategy to build Web-scale services for the OCLC cooperative and these costs were expensed at the time they were incurred. Capitalized development costs in fiscal 2010 were $7.7 million, compared to $9.8 million in fiscal 2009. Over the last five years OCLC has spent $112.6 million for research and development and $34.2 million in capitalized development costs that are part of the enterprise resource investment.

Total research and development, including capitalized development
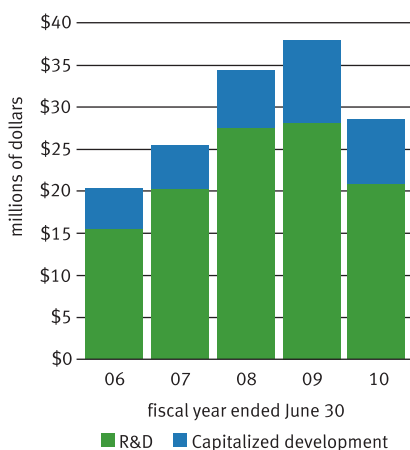
Staffing and Compensation

Expenses for salaries, wages, and related fringe benefits increased to $120.1 million from $119.1 million the previous year, reflecting severance costs related to divestitures and increases in costs of benefits.

Five-Year Perspective

From fiscal 2005 to fiscal 2010, OCLC's cost-share revenues grew at a compound rate of 3.8 percent. During that same period, Metadata and Delivery revenues increased $25.3 million. Non-U.S. revenues increased $18.5 million, including $12 million in Management Systems primarily as a result of OCLC's acquisition of providers of library management systems (Fretwell-Downing Informatics, Sisis and Amlib). In addition, OCLC launched the following services: WorldCat Selection, WorldCat Local, OCLC TouchPoint and WorldCat Navigator. During the same period, OCLC divested or discontinued Strata Preservation N.V., the Preservation Service Center, NetLibrary and the rights to license certain third-party databases previously sold on the OCLC FirstSearch service.

Metadata remains OCLC's largest source of cost-share revenue. In fiscal 2005, it was $79 million, or 41.8 percent of total revenue, and in fiscal 2010, it was $90.1 million, or 39.5 percent of total revenue. Delivery revenue as a percent of total revenue has increased from 19.7 percent to 22.6 percent. End User revenues increased from 11.7 percent to 12.4 percent, while Licensed Content revenues decreased from 15.1 percent to 10.6 percent (see chart on page 42, "Five-year service cost-share revenue comparison").

Corporate equity increased to $209.6 million at June 30, 2010, representing a compound growth rate of 5.9 percent from fiscal 2005. Gains over the five-year period include $25.1 million in dividends and interest income, $22.7 million on the gain on sale of product lines, $7.3 million due to

changes in the post-retirement benefit plan, $5.2 million in foreign currency translation, and a $1.7 million cumulative gain in the investment portfolio. There was a net loss from OCLC services to libraries over the five-year period that decreased equity by $9.8 million.

Financial Position

As of June 30, 2010, OCLC had assets of $362.9 million and corporate equity of $209.6 million. Net working capital, which represents funds available for current operations, was $152.8 million.

Current assets, including the investment portfolio, totaled $239.2 million, an increase of $18.7 million from the previous year. The investment portfolio generates interest and dividend income to support operations. It is also available for long-term growth and product development opportunities, debt retirement (total debt was $58.2 million at June 30, 2010) and security for advance subscription payments and unearned revenues (combined total of $53.7 million as of June 30, 2010). The balance of cash and investments at June 30, 2010 was $194.3 million, compared to $166.4 million at June 30, 2009, reflecting gains in the equity portfolio as well as proceeds from divestitures.

OCLC's current ratio of 2.8:1 compares favorably to OCLC's targeted benchmark of 1.5:1. The debt service ratio of 1.6:1 is higher than the 1.1:1 ratio required by OCLC bond and debt agreements. OCLC's Long-Term Debt to Equity ratio of 0.2:1 is well below the customary standard of 1.35:1.

In summary, OCLC is financially well-positioned in these uncertain economic times to further access to the world's information and reduce library costs as well as fund new strategic initiatives that will add value to the OCLC cooperative.

Five-year Review and Selected Financial Data

CONSOLIDATED (Amounts in Thousands)	2010	2009	Fiscal Year Ended June 30 2008	2007	2006
FINANCIAL RESULTS:					
OCLC Cost-Share Revenues	$228,100	$240,450	$246,420	$234,950	$208,400
Operating Expenses	237,660	236,610	242,460	230,290	202,290
Other Income/(Expense) (A)	(4,120)	(3,130)	(3,330)	(3,940)	(4,160)
Operating Results before Investment Income and Other Gains	(13,680)	710	410	720	1,950
Dividends and Interest Income	5,150	5,240	5,000	5,290	4,450
Net Realized Gains/(Losses) on Investment Portfolio	9,440	(37,160)	6,070	13,520	11,330
Gain on Sale of Product Lines (B)	22,490	0	220	0	0
Net Contribution/(Loss) (C)	23,400	(31,210)	11,700	19,530	17,730
Depreciation and Amortization	27,660	26,670	27,760	27,650	20,920
Operating Cash Flow (D)	51,060	(4,540)	39,460	47,180	38,650
Enterprise Resource Investment (E)	16,990	26,150	20,490	19,670	16,350
Research & Development Costs, net of capitalization	21,000	28,140	27,560	20,320	15,610
FINANCIAL POSITION:					
Current Assets, including long-term investments	239,190	220,490	264,440	261,870	231,580
Current Liabilities	86,400	112,480	118,170	120,920	106,570
Net Working Capital	152,790	108,010	146,270	140,950	125,010
Fixed Assets–Net	115,270	132,320	134,990	132,300	130,560
Total Assets	362,890	359,900	414,170	405,630	372,010
Long-Term Debt and Capital Leases–Less Current Portion	49,560	52,280	64,020	46,170	55,140
Corporate Equity	209,590	177,110	211,800	206,420	175,170
PERFORMANCE COMPARISON:					
Current Ratio	2.8	2.0	2.2	2.2	2.2
Long-Term Debt/Corporate Equity	0.2	0.3	0.3	0.2	0.3
Annual Growth in Cost-Share Revenues	-5.1%	-2.4%	4.9%	12.7%	10.2%
Compound Growth (from 2005)	3.8%				
Operating results as a percentage of OCLC Cost-Share Revenues	-6.0%	0.3%	0.2%	0.3%	0.9%
Five-Year Average	-0.9%				
Net contribution (loss) as a percentage of					
OCLC Cost-Share Revenues	10.3%	-13.0%	4.7%	8.3%	8.5%
Five-Year Average	3.6%				
Annual Growth in Corporate Equity	18.3%	-16.4%	2.6%	17.8%	11.3%
Compound Growth (from 2005)	5.9%				
IRB Debt Service Coverage (F)	1.6	2.8	2.6	2.8	2.0
Employees (End of Year)	1,143	1,303	1,277	1,253	1,203

(A) Other Income/(Expense) includes interest expense, minority interest and taxes.

(B) Includes gains on sale from OCLC's NetLibrary Division and the rights to license certain third-party databases, and the Preservation Service Center in fiscal 2010. Also includes the gain on sale from Strata Preservation N.V. in fiscal 2008.
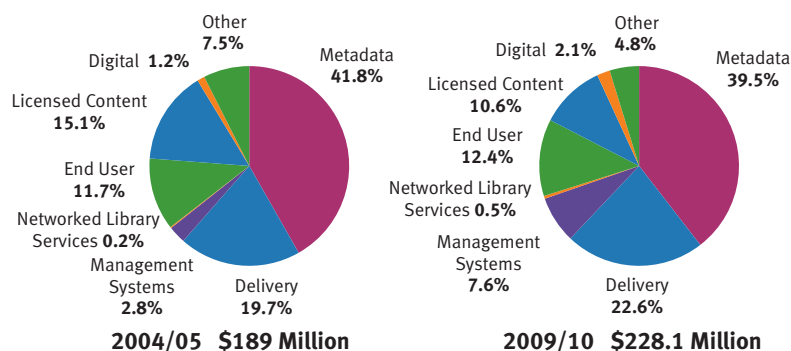
(C) Net Contribution/(loss) represents the excess of revenues over expenses.

(D) Net contribution/(loss) plus depreciation and amortization.

(E) Excludes Merger and Acquisition costs in the year the entities were acquired and includes capitalized development costs.

(F) Excludes operating results of OCLC EMEA B.V. and its subsidiaries, which are not part of the obligated group as defined by OCLC's Bond Master Trust Indenture Agreement. Also excludes Net Realized Gains/(Losses) on Investment Portfolio and Gain on Sale of Product Lines.

Five-year service cost-share revenue comparison

Other 7.5%
Digital 1.2%
Licensed Content 15.1%
End User 11.7%
Networked Library Services 0.2%
Management Systems 2.8%
Delivery 19.7%
Metadata 41.8%

2004/05 $189 Million

Other 4.8%
Digital 2.1%
Licensed Content 10.6%
End User 12.4%
Networked Library Services 0.5%
Management Systems 7.6%
Delivery 22.6%
Metadata 39.5%

2009/10 $228.1 Million

Services Legend

Metadata: WorldCat Cataloging, Metadata Services for Publishers, GGC Cataloging, Dewey, Contract Services Cataloging, Language Sets, WorldCat Selection

Delivery: Resource Sharing, Navigator, VDX, WorldCat Link Manager, ILLiad

Management Systems: CBS, LBS, SunRise, OLIB, Amlib

Networked Library Services: Collection Analysis

End User: PiCarta, CPORTAL, Elektra, ZPORTAL, OCLC TouchPoint, WorldCat.org, WorldCat Local, FirstSearch OCLC Content, ArchiveGrid, QuestionPoint

Licensed Content: NetLibrary, Licensed Databases, E-journals

Digital: CONTENTdm, Digital Services

Other: Business Development Partnerships, WebJunction, Preservation Service Centers, RLG Partner Dues, other income

Condensed Consolidated Balance Sheets

June 30, 2010 and 2009

	2010	2009
Assets		
CURRENT ASSETS	**$ 239,185,700**	$ 220,487,700
FIXED ASSETS—At cost, less accumulated depreciation and amortization	**115,271,800**	132,318,800
OTHER ASSETS	**8,430,100**	7,088,600
TOTAL	**$ 362,887,600**	$ 359,895,100
Liabilities and Corporate Equity		
CURRENT LIABILITIES	**$ 86,397,100**	$ 112,480,400
LONG-TERM DEBT AND CAPITAL LEASES—Less current portion	**49,563,700**	52,283,900
OTHER NONCURRENT LIABILITIES	**17,339,100**	18,020,800
CORPORATE EQUITY	**209,587,700**	177,110,000
TOTAL	**$ 362,887,600**	$ 359,895,100

Condensed Consolidated Statements of Revenues, Expenses and Corporate Equity

for the years ended June 30, 2010 and 2009

	2010	2009
REVENUES	**$ 228,095,100**	$ 240,450,800
OPERATING EXPENSES:		
Salaries, wages and related fringe benefits	**120,121,000**	119,107,300
Telecommunications and computer support	**45,248,000**	46,198,700
Selling, general and administrative	**35,953,600**	35,837,700
Depreciation and amortization	**27,661,500**	26,666,400
Building and utilities	**8,670,800**	8,795,700
Total operating expenses	**237,654,900**	236,605,800
(DEFICIT) EXCESS OF REVENUES OVER OPERATING EXPENSES	**(9,559,800)**	3,845,000
OTHER INCOME (EXPENSE)—Including investment income	**32,957,700**	(35,053,700)
EXCESS (DEFICIT) OF REVENUES OVER EXPENSES	**23,397,900**	(31,208,700)
NET CHANGE IN UNREALIZED GAIN (LOSS) ON INVESTMENTS	**8,387,000**	(457,400)
CHANGE IN VALUE OF INTEREST RATE SWAP AGREEMENT		3,200
POSTRETIREMENT BENEFIT PLAN ADJUSTMENT	**1,402,800**	(2,360,000)
FOREIGN CURRENCY TRANSLATION ADJUSTMENT	**(710,000)**	(663,700)
INCREASE (DECREASE) IN CORPORATE EQUITY	**32,477,700**	(34,686,600)
CORPORATE EQUITY—Beginning of year	**177,110,000**	211,796,600
CORPORATE EQUITY—End of year	**$ 209,587,700**	$ 177,110,000

These condensed consolidated financial statements are derived from the audited consolidated financial statements that appear at OCLC's Web site: www.oclc.org/news/publications/financial/.

OCLC Online Computer Library Center, Inc. and Subsidiaries

Condensed Consolidated Statements of Cash Flows

for the years ended June 30, 2010 and 2009

	2010	2009
CASH PROVIDED BY OPERATING ACTIVITIES:		
Excess (deficit) of revenues over expenses	$ 23,397,900	$ (31,208,700)
Adjustments for non-cash items	(1,377,100)	71,234,700
Cash provided by operating activities	22,020,800	40,026,000
CASH USED IN FINANCING ACTIVITIES	(4,296,200)	(10,177,800)
CASH USED IN INVESTING ACTIVITIES	(25,446,700)	(31,119,500)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(935,300)	(547,900)
DECREASE IN CASH AND CASH EQUIVALENTS	(8,657,400)	(1,819,200)
CASH AND CASH EQUIVALENTS, Beginning of year	28,403,400	30,222,600
CASH AND CASH EQUIVALENTS, End of year	$ 19,746,000	$28,403,400

Condensed Consolidated Notes

for the years ended June 30, 2010 and 2009

1. GENERAL

OCLC Online Computer Library Center, Inc. (OCLC or the "Corporation") is a nonprofit corporation organized to establish, maintain and operate an international computerized network of bibliographic cataloging services for libraries and to promote the evolution of library use. The accumulated excess of revenues over expenses (corporate equity) cannot be distributed to the members. OCLC's corporate equity is unrestricted. In the event of dissolution, the Board of Trustees is to adopt a plan for distribution of remaining assets that is consistent with the purpose of OCLC. OCLC generally provides services to its members on a contract basis. The significant accounting policies of OCLC and its subsidiaries are set forth in the Notes from the audited consolidated financial statements that appear at OCLC's Web site: www.oclc.org/news/publications/financial/.

2. ACQUISITIONS AND DIVESTITURES

AMLIB—Effective July 1, 2008, OCLC EMEA B.V. acquired certain assets and related liabilities of Amlib Pty. Ltd., ("Amlib") the Australian software development organization specializing in library management solutions for 2,600,000 Australian dollars ($2,477,800). The purchase was accounted for by the purchase method of accounting. Assets acquired of 2,796,200 Australian dollars ($2,644,700) and liabilities assumed of 427,500 Australian dollars ($407,300) were based on their fair market values at the date of acquisition. Goodwill, representing the excess of cost over fair value of assets acquired of 231,300 Australian dollars ($220,400) was recorded and is included in fixed assets. Amlib's operations subsequent to the date of the sale are included in the consolidated financial statements for the year ended June 30, 2009.

PRESERVATION SERVICE CENTER—Effective August 1, 2009, OCLC sold the assets of its Preservation Service Center operation to Backstage Library Works, Inc. for $100,000 cash, $313,500 promissory note (paid in full on October 1, 2009), and a royalty of up to $1,750,000. The royalty agreement has a seven-year term and requires 4% of revenues above $300,000 per year, payable quarterly. The first $1,000,000 of royalty is secured by personal guarantee and a life insurance policy. The royalties above $1,000,000 will be recognized as payments are received. The building in Bethlehem, Pennsylvania, was purchased by Backstage Library Works, Inc. on November 2, 2009, for $1,400,000. OCLC recognized a total gain on the sale of $822,400 including the discounted guaranteed royalty receivable of $717,100.

NETLIBRARY—On March 17, 2010, OCLC sold the assets of the NetLibrary Division (including the NetLibrary platform, operations and infrastructure in Boulder, Colorado) and the rights to license a select number of vendor-owned databases previously sold on the OCLC FirstSearch service to EBSCO Publishing for $7,867,200 and assumption of related liabilities. The transition services agreement between OCLC and EBSCO Publishing ($230,000 annually for an initial term of three years) ensures that all NetLibrary eBooks have been placed in a dark archive at OCLC and OCLC will continue to make OCLC-MARC records available for download by the relevant library for NetLibrary eBooks as well as providing library holdings synchronization. OCLC recognized a gain on the sale of $21,666,500.

These condensed consolidated financial statements are derived from the audited consolidated financial statements that appear at OCLC's Web site: www.oclc.org/news/publications/financial/.

OCLC Online Computer Library Center, Inc. and Subsidiaries

3. INVESTMENTS

Realized gains and losses related to investments are recorded using the specific identification method. Net unrealized gains on the portfolio totaled $9,356,900 and $969,800 at June 30, 2010 and 2009, respectively. The following schedule details investment returns for the years ended June 30:

	2010	2009
Dividends and interest income	$ 5,149,900	$ 5,240,300
Net realized gains (loss)	11,263,200	(28,162,000)
Other-than-temporary impairment	(1,686,000)	(8,998,800)
Loss from equity contracts	(140,700)	
Investment income (loss)	14,586,400	(31,920,500)
Net change in unrealized gain (loss) on investments	8,387,000	(457,400)
Total net investment return	$ 22,973,400	$(32,377,900)

OCLC reviews its portfolio for other-than-temporary impairment each fiscal year end. The investment securities portfolio is generally evaluated for other-than-temporary impairment with consideration given to: 1) the length of time and extent to which the fair value has been less than cost; 2) the financial condition and near-term prospects of the issue; and 3) the intent and ability to retain a security for a period of time sufficient to allow for any anticipated recovery in fair value.

4. FOREIGN CURRENCY TRANSLATION

The local currency has been designated as the functional currency for operations in Australia, Canada, France, Germany, the Netherlands, Switzerland and United Kingdom. Corporate equity includes net cumulative translation gains from translation of the local currency to the United States dollar of $8,420,400 and $9,130,400 at June 30, 2010 and 2009, respectively.

5. LONG-TERM DEBT

On August 10, 2009, the Corporation entered into a ten-year tax-exempt lease agreement through Columbus-Franklin County Finance Authority, for $30,000,000 with an effective interest rate of 4.0773%. The lease is due monthly in equal principal and interest installments of $304,800 beginning September 10, 2009, and had a balance outstanding of $27,939,500 at June 30, 2010. The proceeds were used to refund the remaining portion of the 1998 Franklin County Revenue bonds and to finance the acquisition and installation of office systems and equipment, computers, servers, related peripheral equipment and software, and bibliographic and other information databases.

6. SUBSEQUENT EVENT

On July 28, 2010, a complaint was filed in the U.S. District Court of Northern California alleging federal and state antitrust violations and unfair competition against OCLC. OCLC's General Counsel, working with trial counsel, will respond to this action by SkyRiver Technology Solutions, LLC and Innovative Interfaces, Inc. following procedures and timetables dictated by the court. At this time, there have been no contingencies recorded or changes made to OCLC's mission or business practices.

OCLC Charter

The purpose or purposes for which this corporation is formed are to establish, maintain and operate a computerized library network and to promote the evolution of library use, of libraries themselves, and of librarianship, and to provide processes and products for the benefit of library users and libraries, including such objectives as increasing availability of library resources to individual library patrons and reducing rate of rise of library per-unit costs, all for the fundamental public purpose of furthering ease of access to and use of the ever-expanding body of worldwide scientific, literary and educational knowledge and information.

These condensed consolidated financial statements are derived from the audited consolidated financial statements that appear at OCLC's Web site: www.oclc.org/news/publications/financial/.

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OCLC Service Partners

In the US, OCLC works closely with many state, regional and library organizations to ensure effective use of OCLC services and engage OCLC members in education, training and other types of innovative programming in support of the cooperative.

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Amigos Library Services, Inc.
www.amigos.org
14400 Midway Road
Dallas, Texas 75244
1-872-851-8000
1-800-843-8482 (USA)

Califa
http://califa.org

Northern California Office
32 W. 25th Avenue, Suite 201
San Mateo, California 94403
1-650-356-2131
1-866-209-5439 (CA only)

Southern California Office
248 E. Foothill Blvd., Suite #101
Monrovia, California 91016
1-310-348-9578

Connecticut Library Consortium (CLC)
http://ctlibrarians.org
234 Court Street
Middletown, Connecticut 06457
1-860-344-8777

Federal Library and Information Center Committee (FEDLINK)
www.loc.gov/flicc
Library of Congress
101 Independence Avenue, SE
Washington, DC 20540
1-202-707-4800

Illinois State Library (ILLINET/OCLC Services)
www.cyberdriveillinois.com/departments/
library/who_we_are/OCLC/home.html
300 South 2nd Street,
Room 515
Springfield, Illinois 62701
1-217-785-1532
1-800-665-5576, ext. 2

LYRASIS
www.lyrasis.org

Headquarters and Southeast Office
1438 West Peachtree Street, NW
Suite 200
Atlanta, Georgia 30309
1-404-892-0943
1-800-999-8558

Mid-Atlantic Office
100 N. 20th Street, Suite 302
Philadelphia, Pennsylvania 19103
1-800-999-8558

Midwest Collaborative for Library Services (MCLS)
www.mcls.org/cms/sitem.cfm

Indiana Office
6202 Morenci Trail
Indianapolis, Indiana 46268
1-800-530-9019

Michigan Office
1407 Rensen Street, Suite 1
Lansing, Michigan 48910
1-800-530-9019

Minitex Library Information Network
http://minitex.umn.edu
University of Minnesota
15 Andersen Library
222 21st Avenue South
Minneapolis, Minnesota 55455
1-612-624-4002
1-800-462-5348

Missouri Library Network Corporation (MLNC)
www.mlnc.org
13610 Barrett Office Drive, Suite 206
Ballwin, Missouri 63021
1-314-394-1320
1-800-969-6562

Nylink
http://nylink.org
State University of New York
SUNY Plaza
Albany, New York 12246
1-518-443-5444
1-800-342-3353

OHIONET
www.ohionet.org
1500 West Lane Avenue
Columbus, Ohio 43221
1-614-486-2966
1-800-686-8975 (MI, OH, PA & WV only)

WALDO
www.waldolib.org
PO Box 360
Somers, New York 10589
1-800-326-6495

Wisconsin Library Services (WiLS)
www.wils.wisc.edu/
728 State Street
Rooms 464 and B106B
Madison, Wisconsin 53706
1-608-263-5051