

OCLC Annual Report

2010/2011

Celebrating 40 years of library cooperation



OCLC®

The world's libraries.
Connected.™

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. Libraries around the world use 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.

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Connecting people to knowledge through library cooperation



Furthering access to the world's information

Reducing library costs





To the Membership

I again have the honor of presenting this annual report to the OCLC membership, the 43rd in the history of OCLC and the 13th since I became the fourth President and Chief Executive Officer of OCLC on May 11, 1998.

Participation

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

- catalog 449.9 million items online and via batchload
- add 38.9 million records to the WorldCat database
- arrange 9.6 million interlibrary loans
- perform 58 million end-user reference searches on the OCLC FirstSearch service
- perform 160.7 million click-throughs from partner sites on the Web to the WorldCat.org landing page
- add 12.4 million records to WorldCat for digital objects via the WorldCat Digital Collection Gateway.

WorldCat

In fiscal 2011, WorldCat, the OCLC bibliographic database, grew by 38.9 million records and 120 million location listings. We also batch-processed some 419.7 million records from member institutions around the world, adding their unique records and holdings to WorldCat.

On August 26, 2011, the OCLC cooperative observed the 40th anniversary of the start of WorldCat as the OCLC Online Union Catalog. I would like to recognize and thank the thousands of catalogers and librarians around the world who, keystroke by keystroke, record

by record, have built WorldCat over the past 40 years. Working together, they have created an incomparable library resource for research and education.

Representing 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 special collections that are being digitized.

At June 30, 2011, the collective collection of the holdings of institutions in the OCLC cooperative accessible through WorldCat.org and WorldCat Local comprised approximately 2 billion items, including:

- 236 million bibliographic records
- 1.7 billion holdings
- 417 databases
- 531 million article records
- 35 million institutional repository records
- 15 million archival records
- 8 million records from Google, HathiTrust

We continued to work with libraries, Google and the HathiTrust to derive new MARC records for these digital collections based on print records contributed to WorldCat by the OCLC membership over the last 40 years.

Finances

Libraries' use of OCLC services in fiscal 2011 generated revenues of \$205.6 million, a decline of \$22.5 million from the previous year. The decrease was due primarily to divestitures in fiscal 2010 of the NetLibrary Division and the rights to license third-party databases made available via the OCLC FirstSearch service. Contribution to equity before portfolio gains was a loss of \$1.7 million; however, realized portfolio gains of \$12.8 million brought total GAAP contribution to equity to \$11.1 million. We continue to have a strong balance sheet and substantial reserves.

Fiscal 2011 revenues from U.S. operations were \$155.4 million, or 76 percent of total revenues of \$205.6 million. Revenues from operations outside the U.S. in fiscal 2011 were \$50.2 million, or 24 percent of total revenues.

During the year, OCLC provided libraries with \$19.8 million in credits, primarily for cataloging and resource sharing, to encourage growth and quality of WorldCat.

In North America, library budgets continued to be stressed in the current economic downturn. Elsewhere, library budgets were projected to be relatively flat to declining. OCLC has announced that it will again freeze prices in North America in cataloging and resource sharing in fiscal 2012 and will hold any increases to a minimum in other regions. This is the third year in a row that OCLC has held the line on prices.

We continued, however, to invest in research and development critical to the future of libraries. We invested \$16.8 million in capital expenditures (hardware, software and capitalized development labor) for building our new Web-scale services as well as enhancing our existing services.

Acquisitions and Divestitures

On April 15, 2011, OCLC acquired the assets of B.O.N.D. GmbH & Co. KG. Based in Böhl-Iggelheim, near Mannheim, Germany, BOND is a leading integrated system provider for public libraries in German-speaking countries.

We discontinued OCLC Metadata Services for Publishers after two years of operation. We will continue to use the tools developed for this service in data ingest and contract cataloging for publishers.

We announced that we would discontinue the Language Sets service on December 31, 2011. Use of the service, introduced in 2001, has declined significantly in the past several years. As a result, we could no longer support the service in a cost-effective manner and made the difficult decision to discontinue it. OCLC is assisting libraries that wish to transition to other service providers.

Strategic Directions

For the last three years, our strategic direction has been to build new Web-scale services with libraries. At the same time, however, we have been investing heavily to maintain and enhance our existing services. Here is a partial list of enhancements we made to our existing services in fiscal 2011:

- Connexion client 2.3
- Connexion browser
- QuestionPoint 1.78
- WebDewey 2.0
- CONTENTdm 6
- ILLiad 8.1



Oberhaching
GERMANY



Böhl-Iggelheim
GERMANY



Birmingham
UK

- WorldCat Digital Collection Gateway 2.0
- Resource sharing: deflection by custom holdings group; new reciprocity reports
- WorldCat synchronization with HeBIS (German library consortium)

In addition, we also enhanced the integrated library management systems that OCLC provides to over 5,000 libraries in Europe, Australia and Africa:

- CBS 6.0
- Amlib 5.3
- OLIB 8.1
- SunRise V4.0
- LBS4
- TouchPoint 1.6

Also in fiscal 2011, OCLC published the print version of the new 23rd edition of the *Dewey Decimal Classification*. First published in 1876, the DDC is used by over 200,000 libraries.

Web-scale Management Services

As noted in last year's report, on September 27, 2010, the Samuel Roberts Noble Foundation, Ardmore, Oklahoma, became the first library to implement the production version of OCLC's Web-scale Management Services (WMS). Since then, 36 libraries in the U.S. have acquired WMS and 24 of them have gone live. It is worth noting that libraries outside the U.S. are adopting WMS, including: the BIBSYS consortium of 109 libraries in Norway and the National Library; Tilburg University Library in the Netherlands; and the University of New Brunswick Libraries in Canada. Having early adopters outside the U.S. says much about how OCLC has indeed become a global cooperative.

Our strategy for building Web scale encompasses four areas:

- create systemwide efficiencies in library management
- represent the full range of member collections and services where the library user is
- build a global infrastructure that is responsive to local conditions
- advance the future of libraries through research, advocacy and community making.

Let me review our accomplishments in each area during fiscal 2011.

Create systemwide efficiencies in library management

We implemented 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. In the Gateway's first year of operation, libraries added 11.2 million records to WorldCat from their digital collections.

We implemented the WorldCat knowledge base, which helps libraries connect their users to full-text articles and e-books with one click.

We released License Manager, which helps libraries manage the use and discovery of their licensed materials. Combined with the WorldCat knowledge base and WorldCat Local, it relieves library staff of burdensome manual tasks and enhances article sharing among libraries.

Represent the full range of member collections and services where the library user is

We added 130 new collections of articles, books, chapters, e-books, encyclopedia entries, microfiche and serials. They total more than 386 million records from content providers including Gale, the Modern Language Association, ProQuest, American Psychological Association, EBSCO and IGI Global.

We released a production version of mobile-optimized WorldCat Local that makes it possible for mobile users to discover items and see locations, shelf status and call numbers in their local library and in libraries worldwide.

With the HathiTrust, we introduced a WorldCat Local prototype user interface for discovery of items through the HathiTrust Digital Library.

Build a global infrastructure that is responsive to local conditions

We made significant progress in building a new cooperative platform that is open, extensible and based on an extended version of WorldCat. It will permit third-party systems to make use of core services in a supplier-neutral manner, supporting the widest possible reach of the cooperative and use of the platform. It will enable users, third-party library suppliers and the library development community to add applications and foster collective innovation. The extended version of WorldCat includes the collection of databases for purchased, licensed and digital content. At this writing, we were preparing to demonstrate the new platform with an app gallery at library conferences in 2012.



Sheffield
UK



Brossard
CANADA



Asnières sur Seine
FRANCE



Beijing
CHINA

While OCLC members have always been closely involved in development and testing of OCLC services, the OCLC Developer Network brings a new dimension to our development efforts. In fiscal 2011, there were 170 registered Developer Network members who worked with OCLC staff to build applications for WorldCat search and retrieval. They have created 70 applications, and these apps are getting more than 20 million uses a month.

In the next two years, OCLC will open data centers in Europe, Australia and Canada to support its new Web-scale Management Services and identity management systems (see page 30).

Advance the future of libraries through research, advocacy and community making

OCLC Research

OCLC researchers conduct mission-oriented research, write scholarly papers, give presentations and represent community interests to national and international standards bodies. OCLC Research published three major studies this past year.

Cloud-sourcing Research Collections: Managing Print in the Mass-digitized Library Environment, by Constance Malpas, OCLC Research Program Officer, presents findings from a year-long study designed and executed by OCLC Research, the HathiTrust, New York University's Elmer Bobst Library, and the Research Collections Access & Preservation (ReCAP) consortium, with support from The Andrew W. Mellon Foundation. The researchers examined the feasibility of outsourcing management of low-use print books held in academic libraries to shared service providers, including large-scale print and digital repositories. The report provides empirical data that will be useful to research libraries in their future planning activities.

Seeking Synchronicity: Revelations and Recommendations for Virtual Reference is featured on page 33 of this annual report. Researchers for the project were Lynn Silipigni Connaway, Ph.D., Senior Research Scientist, OCLC, and Marie L. Radford, Ph.D., Associate Professor, School of Communication & Information, Rutgers, the State University of New Jersey. Subsequently, on October 7, 2011, Rutgers and OCLC received a \$250,000 grant to support additional research by the authors into virtual reference sustainability.

The *OhioLINK-OCLC Collection and Circulation Analysis Project 2011* studied circulation patterns of books held by 88 Ohio college and university libraries and the State Library of Ohio. The findings will help create a set of collecting rubrics to reduce

duplication, allocate resources more effectively and increase diversity of collections across the state.

OCLC Research and Research Libraries UK (a consortium of 30 research organizations in the United Kingdom and Ireland) are working together to survey archives and special collections in research libraries in the UK and Ireland. The project is similar to a 2009 study by OCLC Research that gathered data on special collections in Canada and the United States to support decision-making for strategic priorities and collaborative projects.

In fiscal 2012, OCLC will convert the Virtual International Authority File research project into an ongoing service (see page 29).

In October 2011, Titia van der Werf was named Senior Program Officer, OCLC Research, based in OCLC's Leiden office in the Netherlands, where she will coordinate and extend OCLC Research work throughout Europe and will have special responsibilities for interactions with the OCLC Research Library Partners there.

Advocacy

OCLC published a new membership report, *Geek the Library: A Community Awareness Campaign*, based on research in a pilot campaign funded by a grant from the Bill & Melinda Gates Foundation. OCLC is now conducting a program to help U.S. public libraries implement their own local campaigns to help increase awareness of local library needs and to increase support for the services they provide. In October 2011, the Gates Foundation awarded OCLC a supplementary grant of \$726,000 in support of the program. In addition, the Foundation continued to provide funding support for the WebJunction online training community for public libraries (see page 31).

OCLC also issued *Perceptions of Libraries, 2010: Context and Community*, which was a follow-up to a 2005 study. The report provides new data and insights into the habits of information consumers, including the effects of the current economic downturn (see page 31).

Service Partners

We continued to work with service partners to optimize OCLC programs and services in the U.S. New partners include Califa, serving over 220 libraries in California; NC LIVE, serving 201 libraries in North Carolina; and the Colorado Library Consortium (CLiC), serving 430 libraries in Colorado. Our partnerships with Amigos and LYRASIS this past year centered on building awareness for moving library cooperation to the cloud and



Overland Park
USA



Winnipeg
CANADA



San Mateo
USA



Latin America and
the Caribbean
Dublin, Ohio
USA

providing implementation services for member libraries moving to OCLC's Web-scale Management Services.

On July 1, 2011, in the U.S. and Canada, OCLC began offering free, live online and self-paced training for many courses related to OCLC services. OCLC trainers and training partners—Amigos, LYRASIS, MCLS, Minitex, MLNC, OHIONET and WILS—will continue to offer a wide variety of classes and learning opportunities.

Strategic Alliances

We signed agreements with four partners to provide citation services to WorldCat.org: EasyBib.com, Citavi (Swiss Academic Software), BibME (Carnegie Mellon University), and Mendely. These services are heavily used in North America and Europe. They help students and researchers compile bibliographies and also drive traffic to libraries.

Workplace

In 2011, for the 6th straight year, OCLC was named one of *ComputerWorld's* "Best Places to Work in Information Technology" in the U.S. I am pleased to note that our position on the list of 100 organizations has been steadily improving. We have climbed to number 33 on this year's list after starting at number 92 five years ago.

For the third consecutive year, OCLC was named among the "Best Employers in Ohio" in a survey conducted by the Best Companies Group in conjunction with the Ohio Society for Human Resource Management State Council.

OCLC was also honored with the 2011 Alfred P. Sloan Award for Business Excellence in Workplace Flexibility for its use of flextime, part-time work and compressed workweeks as an effective workplace strategy to increase business and employee success.

We remain committed to making OCLC an ideal place to work for all employees.

Governance

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 Council meetings this past year in Tokyo, Frankfurt and New Orleans. The OCLC Global Council met in Dublin, Ohio, in April and also convened four virtual meetings.

I would like to recognize Board Chair Larry Alford and Global Council President Jennifer Younger for their leadership during

the transition to the new governance structure, which now includes library leaders from around the world. In the coming year, I am looking forward to working with Mr. Alford on the Board and with the leaders of the 2011–2012 Global Council, Berndt Dugall, President, and ChewLeng Beh, Vice President/President-Elect.

Looking Forward

On June 27, 2011, I announced my plans to retire as President and Chief Executive Officer next June, after 14 years of service.

In each annual report since I joined OCLC, library leaders in the OCLC cooperative have graciously agreed to appear with me in a photo in my report to the membership. Since this is my last annual report, I asked the OCLC staff to join me this year. It has been my great privilege to work with these talented and dedicated employees. I stand in their debt.

Most of all, however, I am indebted to the OCLC membership. Thank you for your support and encouragement over the years.

In my first annual report in 1998, I wrote: "This is an exciting time. I came here to build OCLC and to find new ways of pursuing our public purposes of furthering access to the world's information and reducing information costs. I look forward to working with you in the years ahead."

Since then, we have done much together. Perhaps, one of our most exciting achievements came in 2006, when we made the WorldCat database available to people everywhere on the Internet. We have also become a truly global enterprise. In 1998, OCLC had 20 employees in Canada and the UK. Today, there are 337 employees in offices in nine countries outside the U.S.

Forty years after the start of online cataloging and the WorldCat database, member libraries and OCLC are still innovating, still exploring, still working together for the public good. The OCLC cooperative continues to be a grand experiment in global library cooperation, and I will always be grateful to have been afforded the signal honor to be part of that adventure.



Jay Jordan
President and Chief Executive Officer
November 4, 2011



Melbourne
AUSTRALIA



Leiden
THE NETHERLANDS

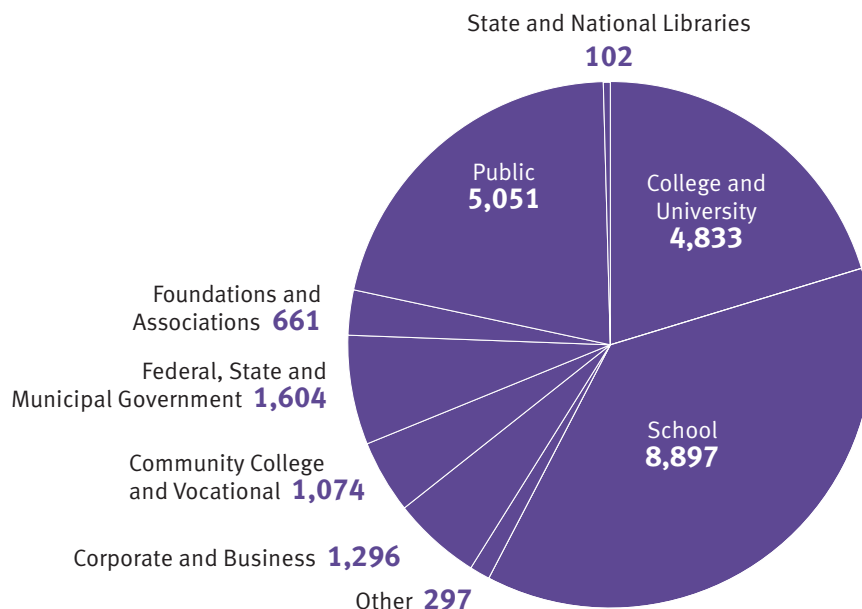


Seattle
USA

Year in Review

23,815 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.



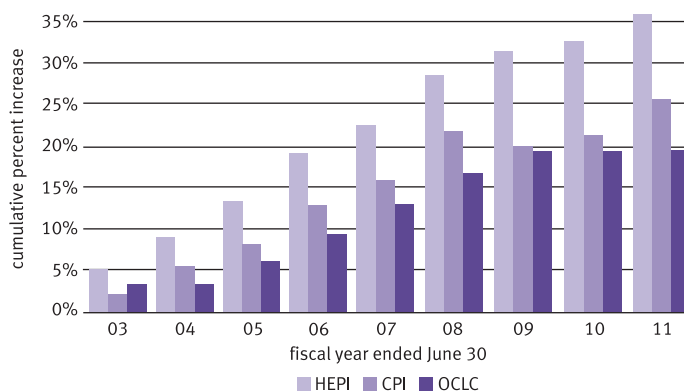
Program Highlights

	2010/11	2009/10
Participating libraries (includes active and inactive symbols)	71,528	68,694
Total number of records in WorldCat (after duplicate detection and resolution)	235.8 million	196.9 million
Books and other materials cataloged online	30.2 million	30.1 million
Books and other materials cataloged by batchloading processes	419.7 million	359.2 million
Cataloging records added to WorldCat	38.9 million	57.8 million
Duplicate records removed from WorldCat through the Duplicate Detection and Resolution Program	4.9 million	2.3 million
Total records removed since 1991	8.8 million	3.9 million
Catalog records generated on computer tape or by FTP for subscribers	4.7 million	5.0 million
Number of records exported online from WorldCat to local systems	62.3 million	63.4 million
Custom-printed catalog cards ordered	1.2 million	1.3 million
Location listings in WorldCat for library materials	1.74 billion	1.61 billion
Local holdings records	29.4 million	22.2 million
Online interlibrary loans transacted	9.6 million	10.2 million
OCLC ILL Fee Management service participants	2,862	3,135
Transactions	916,781	988,072
ILL charges transferred	\$14.2 million	\$15.0 million
OCLC Contract Cataloging	123 institutions 234,701 records 87 languages	154 institutions 260,577 records
Collection Development—Language Sets	132 institutions 29,036 records 20 languages	165 institutions 35,415 records 23 languages
Collection Analysis subscribers	277	268
analyses/comparisons run	2,518	2,350
OCLC FirstSearch authorizations	36,319	36,206
OCLC FirstSearch searches	58.0 million	65.0 million

Financial Highlights

	2010/11	2009/10
Revenues	\$ 205,618,900	\$ 228,095,100
Operating Results before Investment Income and Other Gains	\$ (6,682,500)	\$ (13,677,400)
Excess of Revenues Over Expenses	\$ 11,091,900	\$ 23,397,900
Total Corporate Equity/Net Worth	\$ 239,662,300	\$ 209,587,700
Total Assets	\$ 385,687,800	\$ 362,887,600
Current Ratio	2.8:1	2.8:1
Long-Term Debt/Corporate Equity	0.16	0.24

Percent Change in HEPI, CPI and OCLC Cost Sharing



HEPI: Higher Education Price Index. Base year 2002, due to HEPI calculation change.
CPI: Consumer Price Index for All Urban Consumers & All items. OCLC calculations are based on Online Cataloging and Resource Sharing services.

Program Highlights *continued*

	2010/11	2009/10
Referral from partner sites to WorldCat.org landing page	160.7 million	150.0 million
Click-throughs from WorldCat.org to library services	8.8 million	8.4 million
Click-throughs to information from FirstSearch	10.6 million	13.1 million
Electronic Collections Online	8,174 journals 37 publishers	7,786 journals 37 publishers
<i>Dewey Decimal Classification and Relative Index, edition 23—copies sold (published April 2011)</i>	3,379	n/a
<i>Dewey Decimal Classification and Relative Index, edition 22—copies sold (published Sept. 2003)</i>	697	1,242
<i>Abridged Dewey Decimal Classification and Relative Index, edition 14—copies sold (published Sept. 2003)</i>	452	868
WebDewey (copies sold)	1,137	1,058
Abridged WebDewey (copies sold)	123	112
OCLC CatExpress service subscriptions	1,614	1,677
QuestionPoint libraries	1,931	2,076
Global Knowledge Base	24,633 records	22,662 records
Countries	33	30
Questions asked	537,752	496,210
Questions asked via text messaging	3,033	n/a
Chat sessions	590,010	624,693
Total questions asked (since June 2002)	3.7 million	3.1 million
Total chat sessions (since June 2002)	3.1 million	2.5 million
Total transactions	6.8 million	5.6 million
CONTENTdm licenses	874	800
Total records harvested via the Gateway	12.4 million	1.2 million
Organizations that have contributed records via the Gateway	1,009	n/a
Integrated library systems (Amlib, Bibliotheca, LBS4, OLIB, SunRise)	5,035	n/a
CBS metadata management systems	16	n/a
WorldCat knowledge base of e-content		
Libraries	356	
Records	7.6 million	
Holdings	24.6 million	
Web-scale Management Services	15 libraries	n/a
WorldCat Local sites	1,505	1,144

Year in Review

July 2010

- Home delivery of library materials via WorldCat Resource Sharing and Better World Books becomes available in U.S.
- Califa Library Group, serving over 220 libraries in California, becomes an OCLC Partner

August 2010

- New, enhanced Digital Gateway enables any institution with an OAI-compliant repository to maximize Web visibility of digital content via WorldCat
- Flex Loader enables CONTENTdm users to efficiently batchload large quantities of XML data in METS/ALTO newspaper format
- “Geek the Library,” a community-based public awareness campaign developed by OCLC, is now available for any U.S. public library
- WorldCat database is 39 years old on August 26
- Bibliothèque nationale de France adds 200 millionth bibliographic record to WorldCat on August 27

September 2010

- Thirty-five library developers attend WorldCat Boston Mashathon in Boston, Massachusetts, September 23–24, sponsored by OCLC Developer Network and Brandeis University
- York St John University becomes first academic institution in United Kingdom to implement WorldCat Local
- “Book Crawler” app from OCLC Developer Network shows library materials availability and location



In June 2011, 27 state librarians met at the State Library of Ohio in Columbus and OCLC in a two-day program devoted to identifying game-changing events in their states that could affect the future of libraries.



115 participants from nine countries attended the Asia Pacific Regional Council meeting at Waseda University in Tokyo, Japan, September 6–7, 2010.

October 2010

- 250,000 pop and classical music records from All Music Guide and Rovi are added to WorldCat
- WorldCat knowledge base implemented, helping libraries connect users to full-text articles and e-books with one click
- Connecticut Library Consortium, serving 800 libraries in Connecticut, becomes an OCLC Partner
- WorldCat Local libraries can now provide mobile access to their collections

November 2010

- OCLC and EBSCO Publishing expand data exchange for users of EBSCO Discovery Service and WorldCat Local
- BIBSYS consortium in Norway selects OCLC to provide Webscale Management Services for its new library system for 109 libraries and the National Library
- British Library adds 12 million bibliographic records to WorldCat in a four-month project
- Biodiversity Heritage Library adds 14,000 records to WorldCat from 12 natural history and botanical libraries and museums

December 2010

- Hosted version of EZproxy software helps libraries provide one-click access to electronic content for authorized users
- Walden University enters 6 millionth question into QuestionPoint virtual reference service
- In Colombia, Empresas Públicas de Medellín and Universidad de Antioquia implement QuestionPoint
- National Diet Library of Japan adds 4 million bibliographic records to WorldCat
- Labelo.us iPhone app adds links to WorldCat
- University of Hawaii at Manoa enters 5 millionth record into WorldCat via the Digital Collection Gateway
- Universidad Interamericana de Puerto Rico becomes the first library in Latin America and the Caribbean to implement ILLiad Resource Sharing Management Software
- Bibliothèque et Archives nationales du Québec makes OCLC cataloging and WebDewey available to all public and school libraries in the province of Québec

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 2011 Fellows class from left to right: Fiskani Ngwira, Library Assistant, Mzuzu University, Mzuzu, Malawi; Tian Xiaodi, Acquisition Librarian, Beijing Normal University, Beijing, China; Milan Vasiljević, Librarian Instructor, Belgrade City Library, Belgrade, Serbia; Khumo Dibeela, Assistant Librarian, Botswana College of Agriculture, Gaborone, Botswana; and Geanrose Lagumbay, College Librarian, Cebu Eastern College, Cebu City, Philippines.

Year in Review

January 2011

- Americas Regional Council meeting convenes in San Diego, California, January 7, in conjunction with ALA Midwinter Meeting
- The John D. and Catherine T. MacArthur Foundation awards \$350,000 to fund researchers and developers from OCLC, the information schools of Syracuse University and the University of Washington, and Zepheira LLC to continue work creating a more credible Web search experience based on input from librarians worldwide
- OCLC Research and RLG Partnership publish “A Five-Year Overview of Accomplishments”
- OCLC Research publishes *Cloud-sourcing Research Collections: Managing Print in the Mass-digitized Library Environment*
- OCLC releases new membership report, *Perceptions of Libraries, 2010: Context and Community*
- HathiTrust, OCLC introduce WorldCat Local prototype user interface for discovery of items through the HathiTrust Digital Library
- EasyBib.com, OCLC to build library-branded citation service
- OCLC Research releases demonstration Web service for FAST Geographic Headings
- Amigos and OCLC form new partnership to deliver OCLC Webscale Management Services to libraries

February 2011

- ALISE and OCLC Research award research grants to Cristina Pattuelli, Ph.D. School of Information and Library Science, Pratt Institute; Chirag Shah, Ph.D., School of Communication & Information, Rutgers University; and Bei Yu, Ph.D., School of Information Studies, Syracuse University
- Citavi (Swiss Academic Software) and BibME (Carnegie Mellon University) become citation partners for WorldCat.org
- University of Cambridge and OCLC Research to collaborate on a JISC-funded study of open metadata
- OCLC releases CONTENTdm 6 software

March 2011

- University of Oxford, OCLC Research to compare high school and university students’ digital learning strategies in different cultures in JISC-funded study
- WorldCat Local service adds databases from American Psychological Association, Alternative Press Center, Gale, EBSCO and H.W. Wilson

The EMEA Regional Council meeting in Frankfurt, Germany, March 2–3, 2011, was attended by 200 persons from 24 countries in Europe, the Middle East and Africa.



April 2011

- OCLC Global Council meets in Dublin, Ohio, USA, April 10–13
- OCLC acquires the assets of German library system provider, B.O.N.D. GmbH & Co. KG, based in Böhl-Ingelheim, near Mannheim, Germany
- Ingram and OCLC to offer new, short-term access to e-books through WorldCat Resource Sharing and ILLiad
- WebJunction becomes part of national coalition to establish benchmarks for connectivity in U.S. public libraries

May 2011

- OCLC releases new Connexion client that now supports both 32-bit and 64-bit versions of Windows
- OCLC implements links from Connexion browser to the RDA Toolkit
- Spanish consortium BUCLE (Consortio de Bibliotecas Universitarias de Castilla y León) is the first organization in Spain to implement WorldCat Local
- WorldCat Local adds access to databases from these providers: CrossRef, BioOne, Emerald Group Publishing, SA ePublications, BioMed Central, IGI Global and Cassidy Cataloguing
- Embrapa (Agricultural Research Corporation, Brazil) adds 470,000 records in Portuguese, Spanish and English to WorldCat
- WorldCat Local enhanced with integrated link resolution, increased visibility of local data, and access to course reserves

June 2011

- InTech, an open access publisher in Rijeka, Croatia, adds the 10 millionth record into WorldCat via the WorldCat Digital Collection Gateway on June 7
- The Library of the University of Alicante, in Spain, selects WorldCat Local as its new discovery service
- OCLC Global Council holds a virtual meeting on June 14



The Americas Regional Council meeting on June 24, 2011, in New Orleans, Louisiana, USA, drew 150 attendees in person and 150 virtually via online Web conferencing.



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, 2011, more than 235 million records had been added to WorldCat, spanning six 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. A new record enters WorldCat every 1.2 seconds.

In fiscal 2011, WorldCat grew by 38.9 million records. Libraries used WorldCat to catalog and set holdings for 449.9 million items and arrange 9.6 million interlibrary loan transactions. OCLC FirstSearch service users accessed WorldCat to conduct 58.0 million reference searches.

Records by Format

Format	Total LC Records	Total Participant-input	Total LC-created Participant-input	Total Records
Books	7,951,474	179,696,532	1,773,954	189,421,960
Continuing Resources Format (Serials)	656,480	8,653,049	53,536	9,363,065
Visual Materials	203,376	6,997,620	19,474	7,220,470
Maps	286,513	3,430,241	8,730	3,725,484
Mixed Materials	49,089	4,018,822	4,110	4,072,021
Sound Recordings	333,724	8,039,789	64,044	8,437,557
Scores	100,219	5,479,080	56,759	5,636,058
Computer Files	9,567	7,933,787	2,981	7,946,335
Totals	9,590,442	224,248,920	1,983,588	235,822,950*

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

WorldCat Statistics

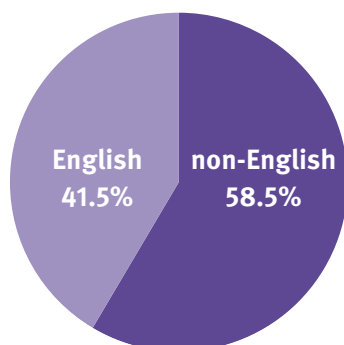
As of June 30, 2011

Languages	485
E-books	14,089,964
Works	167,711,500
Manifestations (records)	235,822,950
Total holdings	1,735,365,613

Date Ranges of Records

4800 B.C.–1 B.C.	31,634
1 A.D.–1449	48,250
1450–1499	102,567
1500–1599	1,220,646
1600–1699	2,881,018
1700–1799	5,889,801
1800–1899	18,021,363
1900–1909	4,654,691
1910–1919	4,880,003
1920–1929	5,904,493
1930–1939	6,622,124
1940–1949	5,848,212
1950–1959	9,217,327
1960–1969	15,483,571
1970–1979	21,884,356
1980–1989	27,319,172
1990–1999	33,053,777
2000–2009	36,501,961
2010–	2,922,443

Multilingual Composition of WorldCat



Total records 235.8 million

As of June 30, 2011

Top 10 Lenders

Fiscal 2011

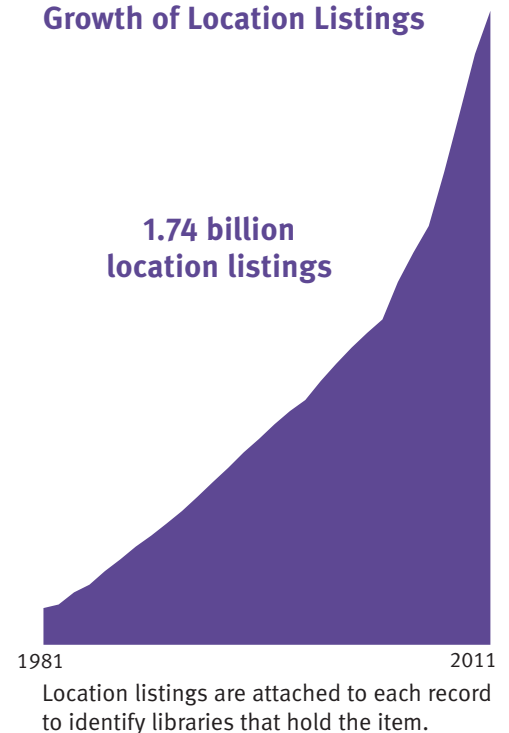
Organization	Items Lent
MINITEX Library Information Network	58,366
University of Chicago	55,151
University of Texas at Austin	47,762
University of Wisconsin–Madison	44,735
Indiana University	40,175
Baylor University	38,403
University of North Carolina at Chapel Hill	37,039
University of Michigan	36,734
Pennsylvania State University	35,754
The Ohio State University	34,479

Top 10 Original Catalogers

Fiscal 2011

Organization	Records Added
Godfrey Memorial Library	138,689
University of Hong Kong	114,039
National Central Library (Taiwan)	41,983
Fuller Theological Seminary	35,164
University of Illinois at Urbana–Champaign	31,382
National Library Board, Singapore	26,540
Bayerische Staatsbibliothek (Germany)	21,996
Thammasat University Library (Thailand)	18,528
University of California, Los Angeles	18,498
ProQuest LLC	14,500

Growth of Location Listings



Top 50 Languages Distribution June 30, 2011

Records	Records	Records
English 97,715,495	Arabic 1,086,067	Bulgarian 213,623
German 32,961,653	Finnish 715,534	Yiddish 198,179
French 21,289,166	Korean 464,931	Tamil 196,428
Spanish 9,668,452	Indonesian 446,615	Afrikaans 175,087
Japanese 7,523,190	Catalan 408,807	Urdu 174,773
Chinese 5,836,099	Norwegian 407,910	Greek (ancient) 134,025
Italian 3,908,303	Turkish 407,536	Slovak 115,389
Dutch 3,504,621	Hungarian 394,749	Bengali 110,814
Russian 3,216,507	Croatian 363,384	Malay 101,189
Latin 3,164,850	Greek (modern) 335,850	Sanskrit 81,179
Swedish 2,052,693	Thai 318,920	Lithuanian 79,895
Danish 2,026,406	Serbian 304,556	Welsh 75,361
Portuguese 1,997,032	Persian 266,317	Icelandic 71,257
Slovenian 1,487,107	Hindi 235,122	Armenian 70,303
Polish 1,468,281	Ukrainian 229,344	Telugu 68,685
Hebrew 1,340,111	Vietnamese 222,575	Gujarati 62,293
Czech 1,231,903	Romanian 221,763	

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.



WorldCat community maintenance

OCLC member libraries voluntarily improve and upgrade WorldCat master bibliographic records in the ongoing quality programs listed below.

	FY11	FY10
Expert Community	304,759	271,626
Database Enrichment	235,533	198,084
Minimal-Level Upgrade	194,634	176,618
Enhance Regular	155,713	176,491
Enhance National	47,876	45,451
CONSER Authentication	21,208	15,705
CONSER Maintenance	57,917	61,949
TOTAL	1,017,640	945,924

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. Records in the collective collection are accessible through the WorldCat.org and WorldCat Local services.

Physical holdings in WorldCat

236 million bibliographic records
1.7 billion holdings



Licensed digital content in library collections

530.8 million electronic database records



As of June 30, 2011

Digitized local library content

43.7 million items
(institutional repositories, Google, HathiTrust, OAlster)

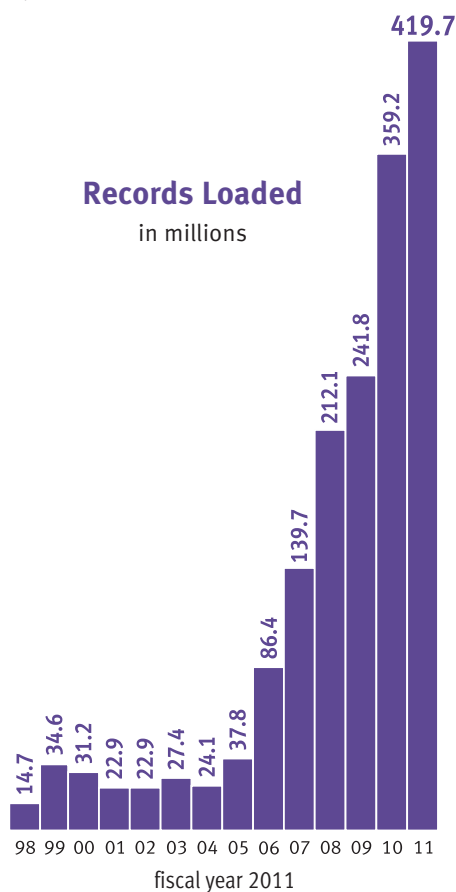


Batchloading Review

OCLC processed 419.7 million records via batchload in fiscal 2011, up from 359.2 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 three 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.



Major Batchloads in Fiscal 2011

Institution Name	Holdings Set	Records Processed	Originals Added
UnityUK Live	147,880,418	16,528,007	372,332
IDS Verbundkoordination	41,494,201	25,803,986	1,469,587
ABES (l'Agence Bibliographique de l'Enseignement Supérieur)	32,737,174	10,452,325	450,709
Bibliotheks Verbund Bayern (BVB)	14,418,705	4,624,503	—
Die Deutsche Nationalbibliothek	11,582,241	11,964,465	4,465,847
RERO-Library Network of Western Switzerland	8,440,518	4,991,281	3,455,114
Better World Books	8,396,428	23,135,573	—
Yale University Library	6,632,109	7,126,854	6,927,712
National Library Board, Singapore	5,132,149	3,933,110	—
University of Virginia	4,876,723	4,951,043	50,315
University of Alberta	4,645,376	1,589,795	169,833
Bibliothèque nationale de France	4,395,935	6,958,943	3,064,165
National Diet Library of Japan	4,288,536	4,711,268	4,150,891
Alibris	3,948,649	11,245,674	—
Bibliotheksservice-Zentrum Baden Württemberg	3,499,838	2,560,170	807,323
National Library of New Zealand	2,810,546	3,132,889	67,764
Bayerische Staatsbibliothek	2,567,964	2,648,306	384,402
Biblionix LLC	2,553,370	3,207,492	208,820
University of Hawaii at Manoa Library	2,525,785	2,755,077	171,771
Harvard University, Office for Information Systems	2,431,819	2,577,305	347,905
University of Kentucky Library	2,415,120	5,106,554	—
Davidson College	2,379,471	1,277,849	138,670
Gemeinsamen Bibliotheksverbundes	2,353,394	790,285	320,388
US Government Printing Office	2,226,116	73,891	—
Biblioteca Nacional de España	2,212,255	2,276,193	118,441
Illinois Virtual Catalog	2,119,834	2,676,983	—
Florida State University	2,108,220	2,243,492	—
Stanford University Library	2,101,508	2,482,715	324,931
Ebrary	2,007,640	1,067,031	—
HeBIS-Verbundzentrale	1,642,362	458,354	137,746
Western Michigan University	1,631,458	1,648,097	—
National Library of Israel	1,597,273	1,598,263	126,718
Houston Area Library Automated Network	1,577,189	2,794,051	25,740
Bucknell University	1,472,602	759,727	16,575
Cambridge University	1,426,802	1,510,537	218,711
University of Manchester	1,379,874	1,391,857	19,767
East Carolina University	1,314,858	1,348,160	—
National Library of China	1,183,103	1,506,519	212,766
Harrington Library Consortium	1,052,585	2,114,107	17,527
Illinois Heartland Library System	1,028,194	263,697	—
Eastern Shores Library System	1,000,145	695,669	—
Library of Congress	968,603	1,019,281	190,534

40th Anniversary of WorldCat

On August 26, 1971, the OCLC Online Union Catalog and Shared Cataloging system began operation. That first day, from a single terminal, catalogers at Ohio University, Athens, Ohio, cataloged 133 books online. That first night, back in Columbus, Ohio, the OCLC computer system was struck by lightning. It was an auspicious beginning.

The first year it used OCLC, Ohio University was able to increase the number of books it cataloged by a third, while reducing its staff by 17 positions through attrition. OCLC was indeed delivering on its promise of increasing access to information while reducing costs.

Access then...

The first OCLC cathode ray tube terminal was the Irascope Model LTE, which was manufactured by Spiras Systems. OCLC deployed 68 LTES, one of which is now on permanent display in the National Museum of American History, Smithsonian Institution, Washington D.C., and another in the new OCLC Museum in Dublin, Ohio.

The LTE was connected to OCLC via a dedicated, leased telephone line from AT&T; message traffic moved at the rate of 2400 baud (2,400 symbols per second).



Access now...

People can now use their mobile phones to access WorldCat via WorldCat Local, where 4G wireless downloads are 2,500 times faster than the original OCLC network. Wired networks are now 416,000 times faster.



Frederick G. Kilgour (1914–2006)
Inventor of WorldCat
OCLC Founder
First President and CEO
1967–1980



Professor Wu Zhipan, Executive Vice President, Peking University, and Jay Jordan, OCLC President and CEO, signed a memorandum of cooperation between OCLC and CALIS (Chinese Academic Library and Information System) on October 25, 2011 at Peking University, Beijing, China. In phase one of the cooperation, CALIS will load half a million Chinese records into WorldCat, which represents Chinese publications published between 1980 and 2001. CALIS is a nationwide academic library consortium with a mission to promote, maintain and improve resource sharing among Chinese university libraries and other libraries and institutions.

Left to right: Chen Ling, Deputy Director, Peking University Library; Zhu Qiang, Director, Peking University Library; Wu Zhipan, Executive Vice President, Peking University; Jay Jordan, OCLC President and CEO; Andrew H. Wang, Vice President, OCLC Asia Pacific; Shu-En Tsai, Executive Director, OCLC Asia Pacific Services.

Collaboratively building Web scale with libraries

OCLC is pursuing a strategy of building Web-scale services with libraries in a cloud computing environment.

Web scale is the concentration of librarians, library systems and library data in the computing cloud that provides a unified, significant presence on the Web similar to that of major search engines and social networking sites. Such a presence will create a truly global cooperative and provide a platform for libraries, vendors and publishers to build new functionality and capabilities into their services.

Key components of this strategy are to:

- Create systemwide efficiencies in library management
- Represent the full range of member collections and services where the library user is
- Build a global infrastructure that is responsive to local conditions
- Advance the future of libraries through research, advocacy and community making.

OCLC Web-scale Management Services

When staff at **Texas A&M University–San Antonio** needed an inexpensive, simple solution for its 21st century start-up library, they chose OCLC Web-scale Management Services (WMS), which offer libraries a unified solution to help streamline routine tasks like acquisitions, license management and circulation. Moving these functions to the Web allows libraries to lower the cost of ownership for management services, simplify critical workflows and free staff time for high-priority services and local innovation.

Established in 2009 to serve the educational needs of south San Antonio and the region, the university opened its first building on its new main campus in August 2011—a three-story, 90,000 square-foot facility for 3,545 students, 79 full-time faculty and 105 part-time/adjunct faculty. The largest space in the building is devoted to the library, with stacks, six group study rooms and 36 workstations.

“WMS enabled us to have traditional ILS functionality without hardware, software and associated maintenance and staffing.”

—Stefanie A. Wittenbach
University Librarian



“My overall plan for the library is to offer collections and services in non-traditional ways whenever possible, in the most efficient ways possible, working with the right organizations,” says Stefanie Wittenbach, University Librarian. “WMS fits into that vision perfectly because of the seamless access for patrons, simple navigation for staff and efficient technical services processes that it provides. It was the right solution for our public catalog and inventory control system.

“The integration with the WorldCat database and ILLiad appealed to me very much. The interface is much easier to use than a traditional ILS interface. The ability to add holdings with immediate availability for patrons is also a big plus. We don’t have to move records to a local system, keep them in sync with WorldCat or deal with authority control. I foresee a very streamlined technical services operation for years to come as a result of using WMS.”

University Librarian Stefanie Wittenbach and her staff established the library at Texas A&M–San Antonio from scratch, opting for OCLC’s WMS to help with the task. The team, left to right: Sarah Timm, Library Specialist III Public Services; Deirdre McDonald, Education Librarian; Stefanie Wittenbach, University Librarian; Teresa de la Torre, Library Specialist III Technical Services; Pru Morris, Digital Resources Librarian. Not pictured: Patricia Barrios, Library Specialist II; Rhiannon Damon, Library Specialist II.

The **St. Thomas University Law Library** began its journey to the cloud—and to a new beginning—with OCLC WMS.

In 2010, the library, located in Miami Gardens, Florida, decided it needed to replace its ILS system, which was more than 10 years old. Roy Balleste, Library Director and Associate Professor of Law, Iris Garcia, Technical Services Librarian, and Sonia Luna-Lamas, Associate Director and Head of Technical Services, looked for a system they could outsource.

“We were interested in a system that did not require any hardware, upgrades, patches or back-ups, a system that was truly integrated and would work with all of our other services,” Ms. Luna-Lamas says. “We wanted a seamless transition.”

The library went live with WMS in June 2011.

“We’ve always been very happy with OCLC and the support it gives us,” Ms. Luna-Lamas says. “We already share bibliographic data and do resource sharing through them. Why not have everything centralized, in one system, where different modules talk to each other? Our patrons get a much cleaner, user-friendly view and our library benefits from a ‘whole package deal’ where all of our library services are bundled and actually work together.”



The WMS implementation team at St. Thomas University Law Library are, left to right: Sonia Luna-Lamas, Associate Director and Head of Technical Services; Roy Balleste, Library Director and Associate Professor of Law; and Iris Garcia, Technical Services Librarian.

“We needed to evolve our services and WMS has been that exciting product that is taking us into the future. It moves us into a new millennium of library service.”

—Sonia Luna-Lamas
Associate Director and Head of Technical Services



OCLC Web-scale Management Services

Newbury College, Brookline, Massachusetts, began using OCLC Web-scale Management Services (WMS) on July 1, 2011.

Peter G. Obuchan, Director of Library Services, said that Newbury's library, like most academic libraries, is increasingly challenged to reinterpret its programs to accommodate new technology and new expectations from students and faculty. OCLC Web-scale Management Services will provide them with additional time to focus on their services, especially information literacy instruction.

"Although it has been a short time, Newbury's experience with WMS has been positive," he says. "I like the way these Web-based services have been structured, creating new ways to look at our workflows as well as saving staff from repetitive, routine activities. Unlike the traditional ILS, WMS has a simplicity that allows flexibility.

"I have worked with OCLC since 1973 and have seen only positive growth over those 38 years," says Mr. Obuchan. "Web-scale management, in conjunction with WorldCat Local, represents the most significant development in librarianship since automation. My anticipation is that WMS will continue to evolve as new technologies and user needs demand."

"The time spent acquiring, cataloging and creating local holdings records has been more than halved."

—Peter G. Obuchan
Director of Library Services



The library team that implemented WMS at Newbury College are, left to right: Gus Consing, Information Technology/Reference Librarian; Janet Hayashi, Collection Management/Reference Librarian; Paul McGoniagle, Head of Access Services; Norma Gahl, Information Services/Reference Librarian; and Peter G. Obuchan, Director of Library Services.



The WMS team at Boundary County District Library, are, left to right: Peggy Buehler, Manager; Sandra Ashworth, Library Director; and Dianna Zills, Manager.

In 1913, the **Boundary County District Library** got started when a volunteer pushed a wheelbarrow full of books from place to place to deliver personalized service to residents of Bonners Ferry, Idaho. Today, this small rural library is still in pioneering mode.

Boundary County District Library was a pilot participant and one of the first implementers of OCLC's Web-scale Management Services.

"WMS offered a solution that is in line and compatible with what is happening around us," says Sandra Ashworth, Boundary County District Library Director. "And, not only could we get our foot in the door at an affordable price, we could help shape this new solution so it could benefit other small rural libraries—a bargain we could not resist.

"Above all, we liked that OCLC is a library cooperative. We are members working together toward a common vision, sharing many of the same challenges. And it is through this shared vision that we hope to eliminate many of the barriers that prevent access to information."

*"As I like to tell our users,
we chose to become a
WMS early adopter so that
we could provide them
with local service and
a global reach."*

—Sandra Ashworth
Boundary County District Library Director

WorldCat Local

In April 2011, the Spanish consortium **BUCLE** (Consortio de Bibliotecas Universitarias de Castilla y León) became the first organization in Spain to implement OCLC WorldCat Local as its search and discovery service. More than 100,000 registered library users at the Universities of Burgos, León, Salamanca and Valladolid now have access to the consortium's collections through a single search box.

BUCLE	
Holdings	2,619,795
Reading places	13,989
Circulation	617,983
E-resources downloads	817,374
Interlibrary Loans	10,398
Library staff	456
Libraries	64
Investment in e-resources	€ 6,573,449

WorldCat	
Holdings	1,735,365,613
Languages	485
E-books	14,089,964
Books	189,421,960
Serials	9,363,065
Records	235,822,950
Records in Spanish	9,668,452
Interlibrary Loans	9,587,110

With the WorldCat Local service, library users are not only able to access the library's local bibliographic records, but also the titles from the BUCLE group catalog and resources from other OCLC libraries that have contributed records to the WorldCat database. Search results include multiple formats of materials, including digital objects, electronic materials, databases, journals, music, video, audio, e-books, theses and print materials.

"It's quick, easy to work with, and cost-effective, and it provides all four BUCLE member libraries with a single point of access to the different library catalogs. In addition, the integration with the WorldCat database gives the bibliographic patrimony of all four university libraries more visibility on the World Wide Web," says Fernando Martín Rodríguez, Technical Director of the BUCLE consortium.



"WorldCat Local was by far the best solution for the creation of a group catalog for the BUCLE consortium."

—Fernando Martín Rodríguez,
Technical Director of the
BUCLE consortium



BUCLE

The increased visibility of BUCLE collections on the Web has also prompted a significant increase in interlibrary loan requests from libraries outside Spain.

For the BUCLE universities, the WorldCat Local service is proving to be a powerful but easy-to-use discovery platform that allows users to do their research on a unified interface, and gives them access to all available scientific materials from the university community of Castilla and León.

The agreement was facilitated by Doc6 S.A., OCLC's representative in Spain.





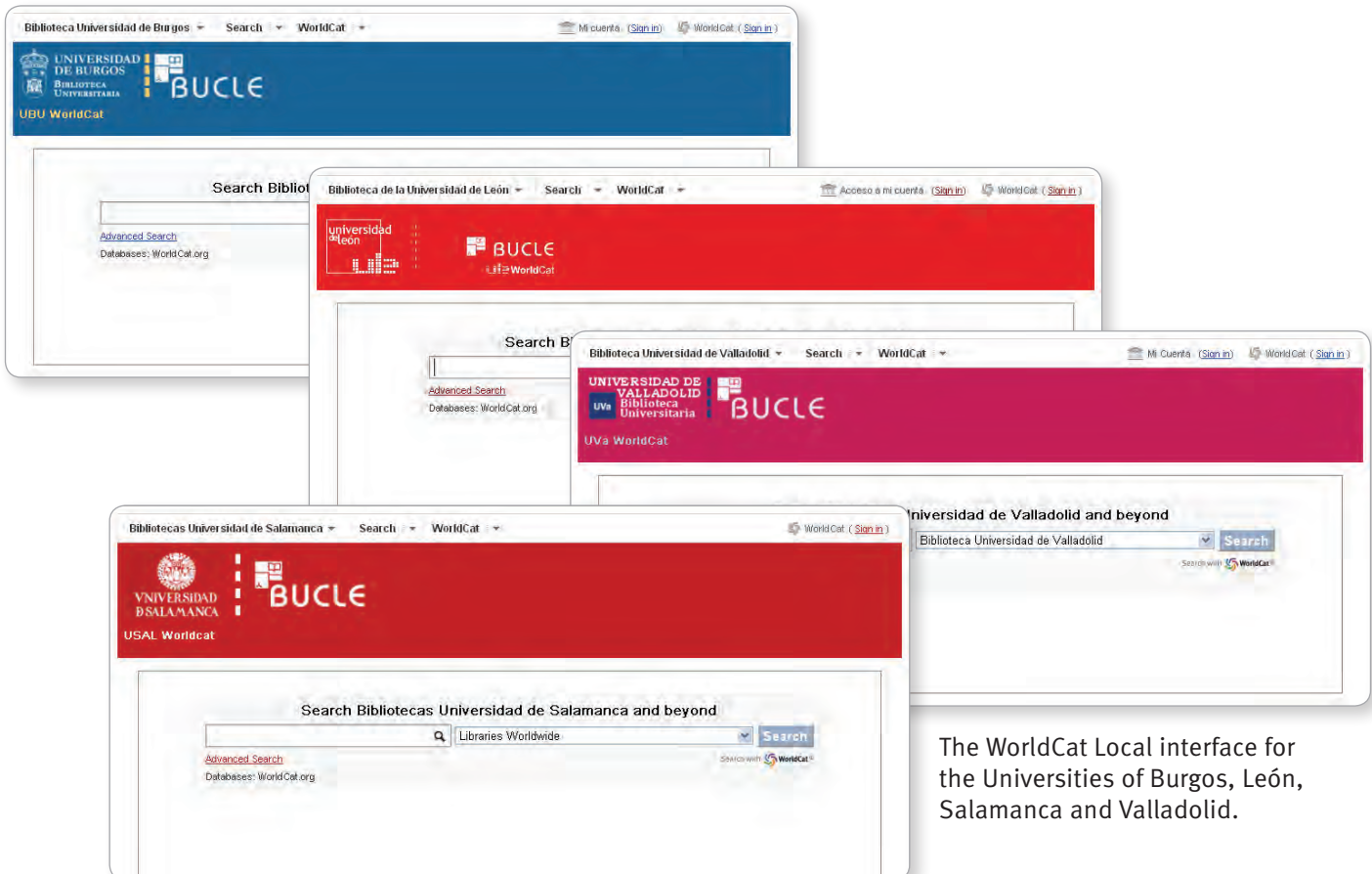
“The catalog is an instrument to discover the documents which constitute the bibliographical and documentary heritage of the Biblioteca Nacional de España.”

—Glòria Pérez-Salmerón,
Director, National Library of Spain



“Increasingly we need integrated, selected and trustworthy information.”

—Adela d'Alòs-Moner,
Consultant, Doc6



The WorldCat Local interface for the Universities of Burgos, León, Salamanca and Valladolid.

Represent the full range of member collections
and services where the library user is

WorldCat.org

Today's users want the universe of resources at their fingertips, as part of the Web experience. To meet this expectation, in 2005, OCLC began building the WorldCat.org service—a compelling, global destination of library content and services for Web searchers. WorldCat.org makes the collective collection of libraries visible on the Internet to people everywhere. It aggregates library catalogs in the cloud to give the library community a unified and growing presence in the consumer Web space, where most people start their information search. The goal is to place member collections and services within popular Web platforms to deliver library expertise at the point of need and drive traffic back to the local library.

Since the program began, there have been more than 851 million referrals to the WorldCat.org landing page from search engines, Internet booksellers, social networking sites, online bibliographies, library portals, commercial publishers and other sites. And, from WorldCat.org, there have been over 47 million clicks to local library services—bibliographic records, shelf status information and online reference services.

Average monthly traffic from WorldCat.org in fiscal 2011:

- 2.0 million unique users
- 735,000 clicks to library services
- 13.4 million page views
- 6.0 million full-record views

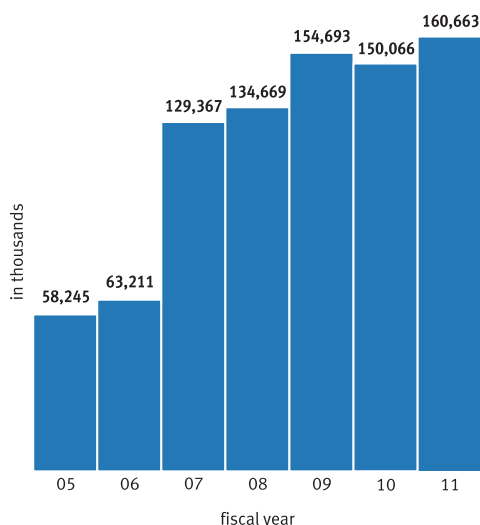
In addition to exposing library records within popular websites, WorldCat.org is also a dedicated site that users can go to directly for discovering library collections and receiving library content and reference services.

Top 10 referrers to WorldCat.org

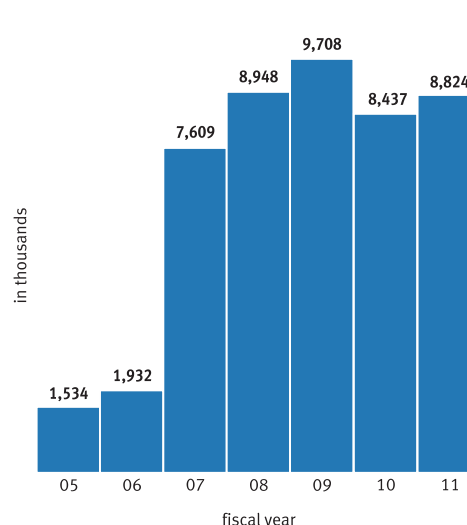
October 1, 2007–June 30, 2011

Referrer	Clicks
Google	78,265,838
Yahoo!	14,231,879
Universität Karlsruhe	5,118,822
Open Library	4,839,615
EasyBib	2,992,118
Wikipedia	2,938,047
Baidu	1,092,248
Scientific Commons	985,353
BibMe	974,471
Bing	870,079

Referrals to WorldCat.org



Clicks to library services

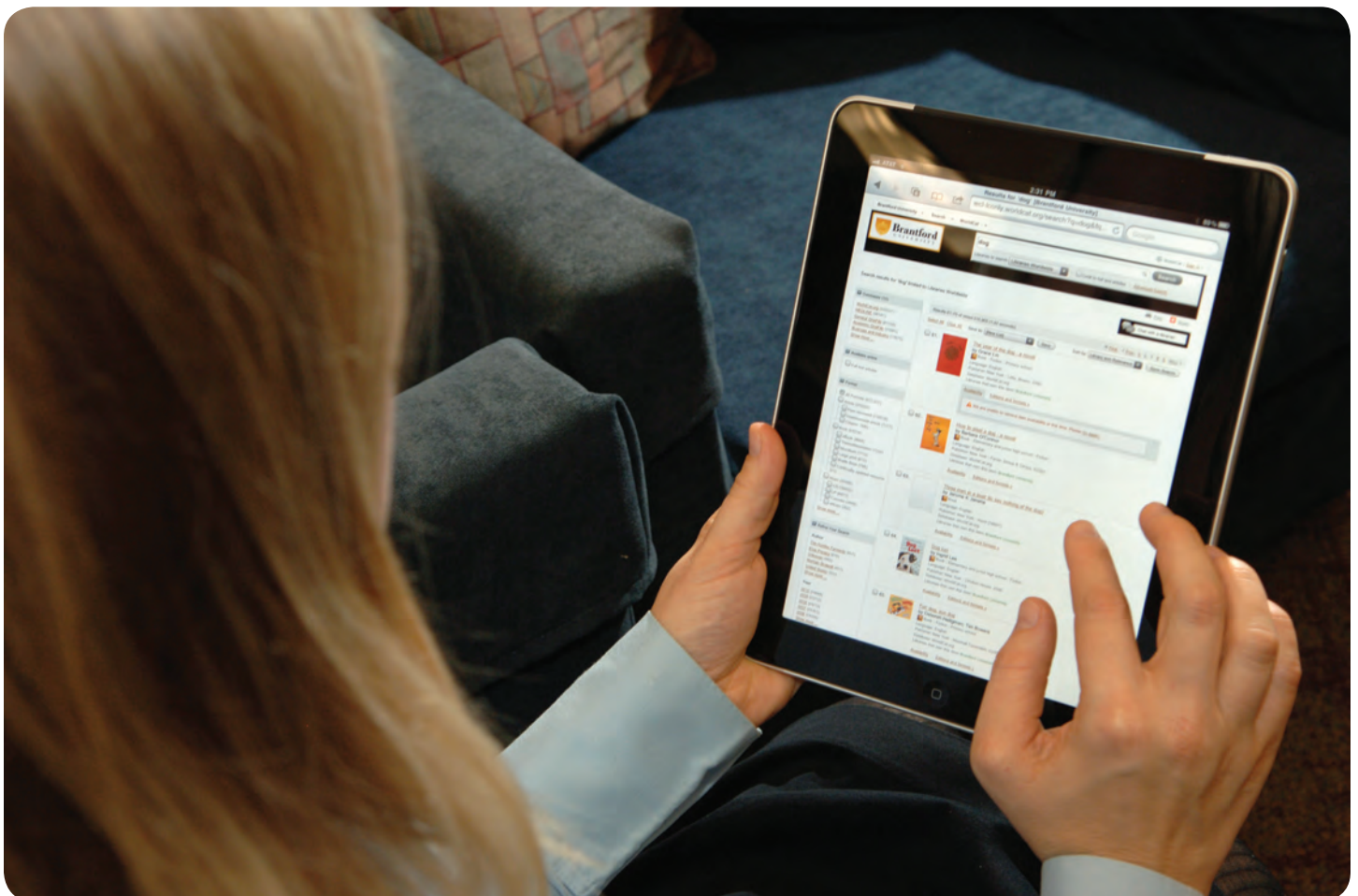
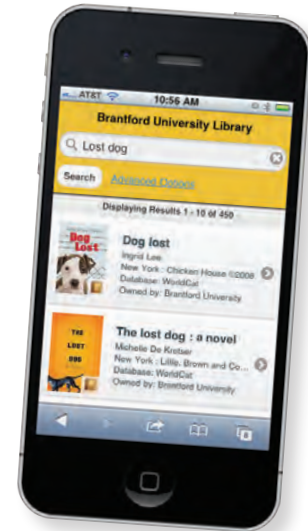


WorldCat Mobile

OCLC is bringing WorldCat into the mobile mainstream.

Since a pilot program launched in 2008, there have been 1.6 million views of WorldCat.org using more than 1,100 mobile devices (through June 2011). The most popular mobile devices used to access WorldCat.org: Apple iPhone (34%), iPad (31%) and iPod Touch (10%) account for three-fourths of all views.

A production version of the WorldCat Local service optimized for mobile access was introduced in June 2011 following two years of research, learning and usability testing. The mobile-optimized WorldCat Local makes it possible for mobile users to discover items; see locations, shelf status, call numbers and levels of availability; place a hold; request the item or e-mail citations for content in their local libraries and in libraries worldwide. Any smartphone or feature phone capable of running JavaScript or a Java-based Web browser, such as Opera Mini or Bolt, is supported.



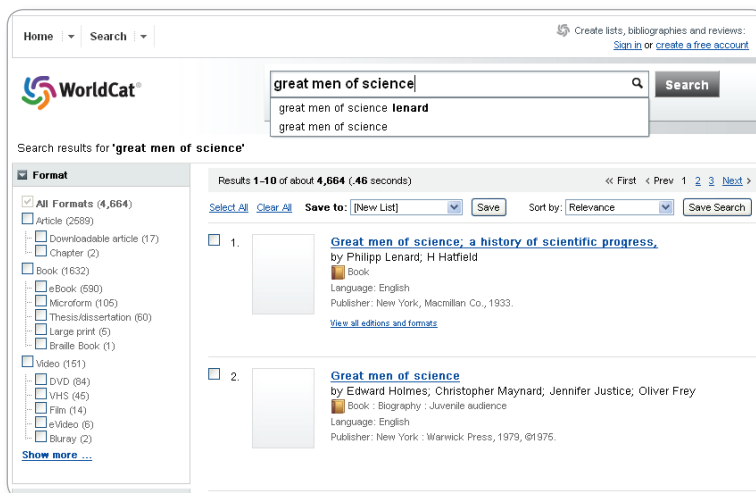
Global Library Manifestation Identifier

As WorldCat continues to grow, a user searching for an author or title retrieves larger and larger sets of search results that are difficult to navigate.

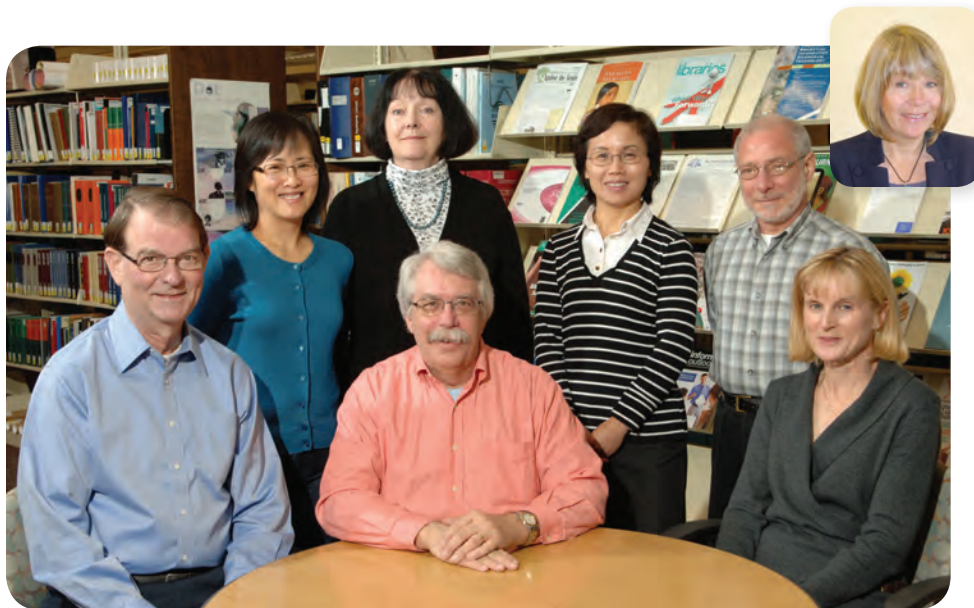
Library users will benefit from improved discovery and navigation of WorldCat in 2011–2012 as OCLC implements new, behind-the-scenes software tools to help organize the more than 235 million records in the database.

GLIMIR (Global Library Manifestation Identifier) software will be run against the entire database, a process estimated to take several months. The software will create clusters of records with the various OCLC interfaces to WorldCat that can be used to create displays that are easier to navigate, that can be tailored to the geographic location of the user, and that make it easier to find holdings. A library user in France, for example, could be presented with cataloging in her own language that leads her to materials available in a library nearby.

GLIMIR builds on work that OCLC has done to incorporate the principles of the Functional Requirements for Bibliographic Records (FRBR) into WorldCat. The FRBR algorithm, developed by OCLC Research, focuses on organizing data at the Work level. GLIMIR looks at attributes of the Expression and Manifestation levels to provide further organizations of large result sets.



OCLC's GLIMIR software will present records so that users can easily identify the item they want. In this example, the display for *Great Men of Science: a History of Scientific Progress* has been reduced from 10 entries to one.



The GLIMIR team, seated, left to right: Mike Oskins, Consulting Software Engineer; Rich Greene, Senior Consulting Database Specialist; and Patty Sexton, Senior Software Engineer. Standing, left to right: Ying Li, Senior Software Engineer; Gail Thornburg, Consulting Software Engineer; Liping Xu, Software Engineer; and Jay Weitz, Senior Consulting Database Specialist. Inset: Janifer Gatenby, EMEA Program Manager, Metadata.



“GLIMIR is another step toward making WorldCat the catalog of the world’s collective collection. By building on the FRBR work that we’ve done over the last several years, we can present the resources of the world’s libraries in a more coherent way.”

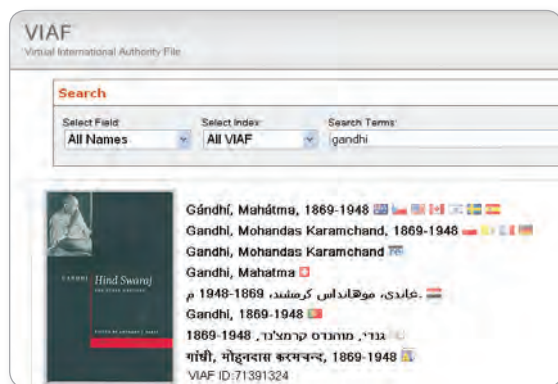
—Glenn Patton
Director,
WorldCat Quality Management

Virtual International Authority File

An eight-year collaborative effort of the **Library of Congress**, **Deutsche Nationalbibliothek**, the **Bibliothèque nationale de France** and OCLC Research will become an OCLC service in 2012.

Most large libraries maintain authority files—records of preferred forms of names for people, corporations, conferences and geographic places, as well as lists to control works and other entities.

The Virtual International Authority File (VIAF) matches and links the authority files of national libraries and groups all authority records for a given entity into a merged “super” authority record. By linking disparate names for the same person or organization, VIAF provides a convenient means for a wider community of libraries and other agencies to repurpose bibliographic data produced by libraries serving different language communities.



VIAF data will be available under an open data license and is already being used by a number of projects, such as Europeana, and helping to build the International Standard Name Identifier (ISNI) database. VIAF will also provide a free Web interface and support linked data protocols.



The VIAF team, seated, left to right: Thom Hickey, Chief Scientist; Ed O’Neill, Senior Research Scientist; Jenny Toves, Software Architect; and Ralph LeVan, Senior Research Scientist.

Standing, left to right: Matt Cull, Attorney; Karen Smith-Yoshimura, Program Officer; Rick Bennett, Consulting Software Engineer; Eric Childress, Consulting Project Manager; Jeff Young, Software Architect; Ted Fons, Executive Director, Data Services and WorldCat Quality; and JD Shipengrover, Senior Web and User Interface Designer. Not pictured: Glenn Patton, Director, WorldCat Quality Management.

“VIAF has turned out to be a wonderful collaboration of major libraries around the world. The participants have been generous in both the time and data they have contributed. We expect VIAF to be an important feature in the infrastructure libraries depend on in the future.”

—Thom Hickey
Chief Scientist, OCLC Research

Participants

Library of Congress [United States] representing NACO*
Deutsche Nationalbibliothek [Germany]
Bibliothèque nationale de France
National Library of Australia
Národní knihovna České republiky
(National Library of the Czech Republic)
Bibliotheca Alexandrina [Egypt]
Getty Research Institute [United States]
תמוזאול הירפסא (National Library of Israel)
Istituto centrale per il catalogo unico
(Central Institute for the Single Directory of the Italian
libraries and bibliographic information)
Biblioteca Nacional de Portugal
(National Library of Portugal)
Biblioteca Nacional de España (National Library of Spain)
Kungliga biblioteket (National Library of Sweden)
Swiss National Library
Bibliotheca Apostolica Vaticana (Vatican Library)
Narodowy Uniwersalny Katalog Centralny (NUKAT) [Poland]
Library and Archives Canada
(Bibliothèque et Archives Canada)
Országos Széchényi Könyvtár
(National Széchényi Library) [Hungary]
Réseau des bibliothèques de suisse occidentale (RERO)
(Library Network of Western Switzerland)
Brussel Netwerk Openbare bibliotheken (BruNO) (Brussels
network of Flemish public libraries)
Système Universitaire de Documentation (Sudoc) [France]

*NACO (National Authority Cooperative Program)
also includes:

- Biblioteca Nacional de México
- British Library
- National Agricultural Library [United States]
- National Library of New Zealand
(Te Puna Mātauranga o Aotearoa)
- National Library of Medicine [United States]
- National Library of Scotland
- National Library of South Africa
- Llyfrgell Genedlaethol Cymru
(National Library of Wales)

Global Data Centers

OCLC is opening data centers in the next two years in Europe, Australia and Canada to support its new Web-scale Management Services and identity management systems. These centers will employ state-of-the-art technologies to ensure high levels of performance, reliability, scalability and cost-effectiveness. Each center will provide services 24/7 and will be backed up by uninterruptible power systems and redundant heating, ventilation and air conditioning systems. Moreover, the new centers will enable OCLC to comply with data privacy requirements around the globe.

OCLC's global network will rely on open systems architecture and adhere to technical standards that promote the cost-effective, worldwide sharing of information across platforms, scripts, languages and cultural materials.

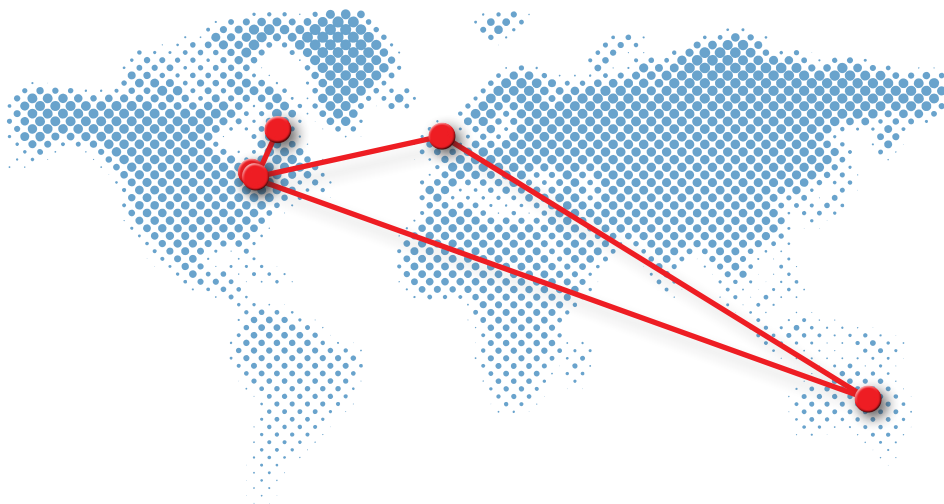


“Each OCLC data center will use top-tier equipment and service providers as well as processes to make their operations as green as possible. We will provide the high levels of system availability and performance that libraries have come to expect from OCLC.”

—Gene Oliver, Executive Director, Systems Management, OCLC



Operations Center, Kilgour Building, Dublin, Ohio, USA. OCLC operates another data center 15 miles away, in Westerville, Ohio, USA.



Advocacy

One of OCLC's chartered objectives is "to promote the evolution of library use, of libraries themselves and of librarianship." To fulfill this charge, OCLC invests in advocacy on behalf of libraries to champion them and amplify their voices to the communities and world they serve.

Membership reports

In 2003, OCLC launched an initiative to build a body of international market research on 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, including organizations such as Gartner, Outsell, Pew and Amazon.

The latest report, *Perceptions of Libraries 2010: Context and Community*, chronicles the online practices and perceptions of the 2010 information consumer.

The report reaffirmed the importance of libraries and librarians. They are valued, even more so than five years earlier. In 2005, 76 percent of information consumers who were assisted by a librarian thought librarians add value to the search process. In 2010, this had grown to 83 percent.

The report is available for download at www.oclc.org/reports/2010perceptions.



“Our goal is to provide hard data about the current perceptions of the library, Internet and information—and the ties among the three—to understand more about the information consumer’s perception of the library brand.”

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

Geek the Library

OCLC's Geek the Library community awareness campaign, piloted in 2009 and 2010 and now available to all U.S. public libraries, currently reaches libraries across the U.S. in over 20 states. OCLC received an additional grant from the Bill & Melinda Gates Foundation in 2011 that ensures ongoing support and materials for libraries through June 2013.

More than 100 campaigns are now underway. Hundreds of articles in local media have been written about Geek the Library and online chatter is steady, including more than 17,000 'likes' on Facebook.

Participating libraries have embraced the campaign, and are enthusiastically customizing content and engaging their communities. Many participants have extended the length of their local campaigns.

Find more information about Geek the Library specifically for interested public libraries at get.geekthelibrary.org.



Tuscarawas County Public Library in
New Philadelphia, Ohio, USA

OCLC Research Library Partnership

The OCLC Research Library Partnership has evolved from the merger of RLG and OCLC in 2006. It provides a venue in which affiliated research libraries and archives can collectively identify, analyze, prioritize and design scalable solutions to shared information challenges. Annual dues support the collaborative work. Partners participate in working groups, studies, surveys, and design and implementation of experiments, demonstration projects and early-adopter applications of technology.



“The...decision to establish a new affordable research partnership has made it possible for Johns Hopkins to re-engage with our colleagues under the OCLC umbrella for the first time in nearly two decades. We faxed our enrollment forms yesterday.”

—Winston Tabb

Dean of University Libraries and Museums
The Johns Hopkins University

OCLC Research Library Partners

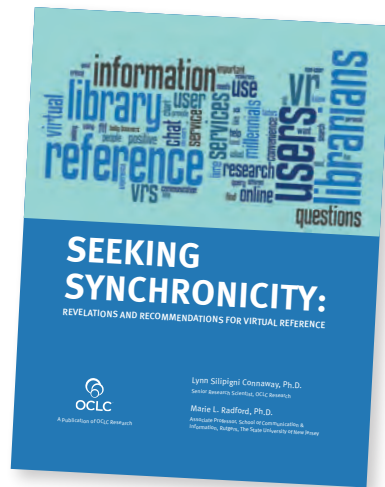
American Antiquarian Society	The Morgan Library & Museum	University of California, San Diego
American Philosophical Society Library	Museum of Fine Arts, Boston	University of Cambridge
American University in Cairo	Museum of Modern Art	University of Chicago
Amon Carter Museum of American Art	National Archives and Records Administration	University of Connecticut
Art Institute of Chicago	National Gallery of Art	University of Delaware
Athenaeum of Philadelphia	National Library of Australia	University of Edinburgh
Bard College–Bard Graduate Center	National Library of New Zealand, Alexander Turnbull Library	University of Glasgow
Binghamton University, State University of New York	National Library of Scotland	University of Hawaii at Manoa
Boston College	Natural History Museum (United Kingdom)	University of Hong Kong
Boston University	Nelson-Atkins Museum of Art	University of Houston
Brandeis University	Newberry Library	University of Illinois at Urbana–Champaign
Brigham Young University	The New School	University of Iowa Law Library
British Library	New York Historical Society	University of Kansas
Brown University	New York Public Library	University of Leeds
California Digital Library	New York University	University of Liverpool
California Historical Society	Northwestern University	University of Manchester
California Institute of Technology	The Ohio State University	University of Manitoba
Carnegie Mellon University	Oklahoma State University	University of Maryland
Chemical Heritage Foundation	Pennsylvania State University	University of Massachusetts Amherst
Cleveland Museum of Art	Philadelphia Museum of Art	University of Melbourne
Columbia University	Princeton University	University of Miami
Dartmouth College	Rockefeller University	University of Michigan
Duke University	Royal Library, National Library of Denmark and Copenhagen University Library	University of Minnesota
Durham University, United Kingdom	Rutgers, The State University of New Jersey	University of Montana, Missoula
East Carolina University	Saint Louis Art Museum	University of North Carolina at Greensboro
Emory University	San Diego State University	University of North Texas
Folger Shakespeare Library	Smithsonian Institution	University of Notre Dame
Fordham University Law School Library	Southern Methodist University, Underwood Law Library	University of Oregon
Frick Collection and Frick Art Reference Library	Stanford University	University of Oslo
George Washington University	Sterling and Francine Clark Art Institute	University of Oxford
Getty Research Institute	Stony Brook University	University of Pennsylvania
Hagley Museum and Library	Swarthmore College	University of Pittsburgh
Hebrew Union College–Jewish Institute of Religion	Swiss National Library	University of South Carolina
Huntington Library, Art Collections and Botanical Gardens	Syracuse University	University of Southern California
Imperial College London	Tate Gallery	University of South Florida
Indiana University, Bloomington	Temple University	University of St Andrews
Institute for Advanced Study	Trinity College Dublin	University of Texas at Austin
International Institute of Social History	Tulane University	University of Texas at Dallas
Iowa State University	Université de Montréal	University of Texas at San Antonio
Johns Hopkins University	University of Aberdeen	University of Toronto
Keio University–Mita Media Center	University of Alberta	University of Utah
Kimbell Art Museum	University of Amsterdam	University of Warwick
King's College London	University of Arizona	University of Washington
La Trobe University	University of Auckland	University of Wyoming
Library Company of Philadelphia	University of British Columbia	University of York (United Kingdom)
Library of Congress	University of Calgary	Utrecht University
Linda Hall Library of Science, Engineering & Technology	University of California, Berkeley	Victoria and Albert Museum
Massachusetts Institute of Technology	University of California, Los Angeles	Wellcome Library
Metropolitan Museum of Art		Western Kentucky University
Miami University (Ohio)		Winterthur Museum, Garden & Library
Minnesota Historical Society		Yale University
		Yeshiva University

OCLC Research Report

A new membership report from OCLC Research, in partnership with **Rutgers, the State University of New Jersey**, distills more than five years of virtual reference (VR) research into a summary with specific and actionable suggestions to help practitioners develop and sustain VR services and systems. *Seeking Synchronicity* suggests that by transforming virtual reference service encounters into relationship-building opportunities, librarians can better leverage the positive feelings people have for libraries. This is critically important in a crowded online space where the biggest players often don't have the unique experience and specific strengths offered by librarians.

“Our research strongly suggests that it is critical for librarians in both the virtual and face-to-face environments to develop and maintain relationships with library users.”

—Lynn Silipigni Connaway, Ph.D.,
OCLC Senior Research Scientist



The report is based on a multiyear study funded by the Institute of Museum and Library Services (IMLS), Rutgers and OCLC.



“Librarians can transform VR services into relationship-building opportunities, and thereby leverage the positive feelings people have for libraries into greater user satisfaction and stronger support.”

—Marie L. Radford, Ph.D.
Associate Professor,
School of Communication & Information
Rutgers, the State University of
New Jersey



“Connaway and Radford have produced a report on virtual reference that is at once revealing, thought-provoking and a thoroughly enjoyable read. They ‘tell it like it is’ in a way that is readable, funny and spot-on. They don’t waste your time on dense prose; they want to wake you up and change the way you think. It behooves librarians to absorb this report’s findings and recommendations and take them to heart.”

—Eve Tallman, Director, Mesa County Public Libraries,
Grand Junction, Colorado, USA

Board of Trustees



Seated, left to right:

Maggie Farrell

Dean of Libraries, University of Wyoming

Bernadette Gray-Little

Chancellor, University of Kansas

David Lauer

Former President and COO, Bank One, NA

Bruce Newell

Director, Montana Library Network (retired)

Edward Barry, Vice Chair

President Emeritus, Oxford University Press

Elisabeth Niggemann

Director General, Deutsche Nationalbibliothek

Back row, left to right:

Kathleen Imhoff

Library Consultant

Anthony Ferguson

Academic Library and Information Consultant

David Roselle

Director of Winterthur Museum and Country Estate

Larry Alford, Chair

Chief Librarian, University of Toronto Libraries

Jay Jordan

President and Chief Executive Officer, OCLC

Brian Schottlaender

The Audrey Geisel University Librarian
University of California, San Diego

James Neal

Vice President of Information Services and University Librarian, Columbia University

Lizabeth (Betsy) Wilson

Dean of University Libraries, University of Washington

Sandra Yee

Dean, University Library System, Wayne State University

Inset:

John Patrick

President, Attitude LLC

Strategic Leadership Team



Front row, left to right:

Jay Jordan
President and Chief Executive Officer

Gene Oliver
Executive Director
Systems Management

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

Second row, left to right:

Bruce Crocco
Vice President
Library Services for the Americas

George Needham
Vice President
Global and Regional Councils

Greg Zick
Vice President
Global Engineering

Tammi Spyde
Vice President
Corporate Human Resources

Eric van Lubeek
Managing Director, EMEA

Andrew Wang
Vice President
OCLC Asia Pacific

Third row, left to right:

Jim Michalko
Vice President
OCLC Research Library Partnership

Chip Nilges
Vice President
Business Development

Fourth row, left to right:

Robin Murray
Vice President
Global Product Management

Mike Teets
Vice President
Innovation

Back row, left to right:

Rick Schwieterman
Executive Vice President and
Chief Financial Officer

Lorcan Dempsey
Vice President, Research and
Chief Strategist

Inset:

Jim Houfek
Vice President and
General Counsel



The 2010–2011 OCLC Global Council Meeting

It is my honor to report to you on the activities of the 2010–2011 OCLC Global Council.

Appropriately for our worldwide cooperative, we developed this year's ambitious plan in the context of a strategic and global focus, building on the significant accomplishments of the Regional and Global Councils last year. We were also mindful of new issues identified by members as well as the Board of Trustees and OCLC staff in articulating a plan of activity. We focused on initiatives that impact how we advance our shared mission. We believe in working together, and our annual plan was appropriately titled "The Power of Cooperative Problem Solving is Enhanced by Many Voices."

The annual plan identified key areas in which our work could productively advise OCLC's strategic directions and development of services. In broad terms, our activities related to the following:

- WorldCat quality and sustainability
- Communication within the OCLC cooperative
- Cost-sharing principles and models
- Collaboratively building Webscale with libraries and OCLC's Web services
- WorldCat in the global information environment.

We met our goals through in-person and virtual Global Council (GC) meetings as a whole and through the work of committees, task forces and ad hoc working groups. With

the conclusion of the GC Virtual Meeting on June 17, 2011, we concluded the year with a solid record of achievement. Together, we:

- Engaged delegates and OCLC in Regional and Global Council discussions on enhancing WorldCat quality, and advised OCLC on priorities for future enhancements
- Provided guidance on WorldCat quality by revising the *Guidelines for Contribution to WorldCat*
- Addressed WorldCat sustainability through ratification of *The WorldCat Rights and Responsibilities Dispute Resolution*, which was adopted by the Board of Trustees in June 2011
- Engaged delegates and OCLC in discussions on the key strategic direction of collaboratively building Webscale capacity and developing Web services for members
- Engaged delegates and OCLC in discussing WorldCat in the global information arena, including the relevance of open data licensing, current events in linked data, and the National Library of Australia/OCLC partnership
- Engaged delegates in discussions on community/non-revenue-generating services and the development of cost-sharing models that would incorporate the principles adopted the previous year
- Approved the "Final Report and Recommendations from the Cost Sharing Models Task Force" (June 3, 2011) for transmittal to OCLC

- Learned about member activities in areas including linked data; research data management; disaster assistance to local communities; cost-effective processing of archival materials; and a major European initiative of archives, museums and libraries making their cultural heritage accessible to society at large, and in collaborating with other aggregators of content in a wider European information space
- Led delegates and OCLC in a discussion of communication opportunities and challenges, with recommendations to follow from the Global Council Communications Task Force
- Assessed the new governance structure in discussions of unfulfilled expectations, membership strategies and successes.

During the year, Global Council delegates participated in discussions and the annual meeting. In addition, many members, GC delegates, Board trustees and OCLC staff gave freely of their time, expertise and energy to move forward the work of the Council in specific activities. To them, we owe a special thanks.

The Global Council Mission formally states three goals: participating in OCLC governance; ensuring effective communication within the OCLC cooperative; and participating in the OCLC planning process. Our voice in OCLC planning is heard through recommendations and reports of various working groups, committees and task forces, but also through the participation of the Global Council President and Vice President in the annual strategic planning retreat held by the Board of Trustees and OCLC management in November.

Our cooperative is strong, but as is the case with all organizations, future success will be the result of continuing attention to emerging issues and ways of working together. Since the governance transition, the Global Council is settling in and raising healthy questions on ways in which we can and should enhance the Council's activities on behalf of members and Regional Councils. We must continually set high expectations for Council engagement with the Regional Councils, the Board of Trustees and OCLC

management on issues that matter to the future success of the cooperative. We must be proactive in providing thoughtful input on strategically important questions.

In the first two years of Global Council meetings, we have learned that virtual meetings of faceless voices do not work nearly as well as meetings among colleagues and friends. We also learned it is critical to schedule multiple discussion sessions during the annual meeting to maximize individual and group sharing of questions, ideas, wisdom and knowledge.

Based on our experience, the Global Council and OCLC management have agreed the Global Council will hold two face-to-face meetings in the coming year (November 2011 and April 2012). This will provide delegates, the Board and OCLC staff with more time for discussions and interactions. I want to thank Larry Alford, Chair of the OCLC Board of Trustees, and Jay Jordan, OCLC President and CEO, for their continuing leadership in listening and responding to the Global Council.

I am proud of the accomplishments of this extraordinarily talented, dedicated and productive group of delegates who have made a positive difference to the well-being of the OCLC cooperative. We focused on initiatives that impact how we advance our shared mission. We worked to understand the unique challenges of individual OCLC members because the OCLC cooperative will remain relevant only if its members continue to provide value to the communities they serve.

I salute the vision of my colleagues and thank them for the opportunity and honor of serving as their president.

Thank you one and all.

Jennifer A. Younger

2010/2011 President
OCLC Global Council

OCLC Global Council delegates 2010/2011

Bonnie J. Allen
University of Montana

Lluís Anglada
Consorci de Biblioteques
Universitàries de Catalunya

Simon Bains
University of Edinburgh

Jeffrey Baskin
William F. Laman Public Library

Rosann Bazirjian
University of North Carolina at
Greensboro

ChewLeng Beh
National Library Board,
Singapore

Raymond Bérard
ABES

Theresa Byrd
University of San Diego

Hsueh-hua Chen
National Taiwan University
Library

Chris Cole
National Agricultural Library

Janet Copsey
University of Auckland Library

Dalia L. Corkrum
Whitman College

Elizabeth Cox
Southern Illinois University

Henriette de Kok
Bibliotheek Midden-Brabant

Barbara Dewey
Penn State University Libraries

Carol Pitts Diedrichs
The Ohio State University

Berndt Dugall
Universität Frankfurt

Vic Elliott
The Australian National
University

Poul Erlandsen
The Royal Library—CULIS

Joyce C. Garnett
The University of Western
Ontario

OCLC Global Council—The voice of OCLC members

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

Robin Green
University of Warwick

Lorraine Haricombe
University of Kansas

John Helmer
Orbis Cascade Alliance

Jan Ison
Lincoln Trail Libraries System

Charles Kratz
University of Scranton

Karen Lequay
The University of the West Indies

William R. Maes
Dalhousie University

Lyn McKinney
Billings Senior High School

Beverly Obert
Rolling Prairie Library System

Lisa O'Hara
University of Manitoba

Gilda Gajardo Oliva
Biblioteca Pública de Coihueco

Stephen Podgajny
Portland Public Library

Anne Prestamo
Oklahoma State University

Mark Pumphrey
El Paso Public Library

Rupert Schaab
University of Göttingen

Debbie Schachter
Vancouver Public Library

Robert Shupe
Mohave County Library

Anja Smit
Utrecht University

Samson Soong
The Hong Kong University of
Science & Technology

Wilbur Stolt
University of North Dakota

John Szabo
Atlanta-Fulton Public Library
System

Winston Tabb
The Johns Hopkins University

Gwenda Thomas
Rhodes University

Anne Van Camp
Smithsonian Institution Archives

Lamar Veatch
Georgia Public Library Service

Susan Barnes Whyte
Linfield College

Kendall Wiggan
Connecticut State Library

Patrick Wilkinson
University of Wisconsin–
Oshkosh

Jennifer Younger
University of Notre Dame

The 2010/2011 OCLC Global Council Executive Committee



Seated, left to right: **William R. Maes**, Vice Chair/Chair-Elect, Americas Regional Council (ARC); **Samson Soong**, Vice Chair, Asia Pacific Regional Council (APRC); **Robin Green**, Vice Chair/Chair-Elect, Europe, Middle East and Africa Regional Council (EMEARC)

Standing left to right: **Vic Elliott**, Chair, Asia Pacific Regional Council (APRC); **Jennifer Younger**, Global Council President; **Gwenda Thomas**, Chair, Europe, Middle East and Africa Regional Council (EMEARC); **Anne Prestamo**, Chair, Americas Regional Council (ARC); **Berndt Dugall**, Global Council Vice President/President-Elect

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

Sarah McHugh
Montana State Library

Mary Piorun
University of Massachusetts
Medical Center

Tim Rogers
NC LIVE

John Teskey
University of New Brunswick

Andrew Pace
OCLC

Technology Advisory Board

Angelo Mazzocco
Pillar Technology Group

Al Pappas
The Canea Group

John Robinson
Morse Group

Rod Smith
IBM

Chuck Trent
Retired, formerly of Cisco

Steve Zoppi
Collabri Group

Gene Oliver
OCLC

OCLC E-resources Advisory Council

Maria Collins
North Carolina State University

Jennifer Kuehn
The Ohio State University

Anne Prestamo
Oklahoma State University

Tim Rogers
NC LIVE

Dr. Hildegard Schäffler
Bavarian State Library

Gregg Silvis
University of Delaware

Bonnie Tijerina
Claremont Colleges

Holly Tomren
Drexel University

Stefanie Wittenbach
Texas A&M University—San Antonio

Kay Covert
OCLC

Ted Fons
OCLC

Sonya Oliver
OCLC

Andrew Pace
OCLC

Financial Report 2010/2011

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 2011.
- 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, 2011 be accepted. The audited consolidated financial statements, accepted by the Board of Trustees, appear at OCLC's website: www.oclc.org/news/publications/financial.

Audit Committee

Maggie Farrell, Chair
Anthony Ferguson
Bernadette Gray-Little
Kathleen Imhoff
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 2011

The global economic climate remained uncertain during fiscal 2011. Library budgets in many parts of the world continued to be stressed.

Historically, OCLC has operated at near breakeven, realizing revenues that approximate the costs to deliver services and programs to libraries and institutions. In fiscal 2011, revenues were \$205.6 million, down 9.9 percent from fiscal 2010 revenues of \$228.1 million. The decrease was due primarily to the full-year impact of the fiscal 2010 divestitures of the NetLibrary Division and the rights to license certain third-party databases that OCLC made available via the FirstSearch service. The divestitures were made because they no longer provided a strategic fit. Net Contribution or Excess of Revenues over Expenses in fiscal 2011 was \$11.1 million, compared to \$23.4 million in fiscal 2010. Further detail behind these

results is presented in the following comparison of business activities in fiscal years 2011 and 2010.

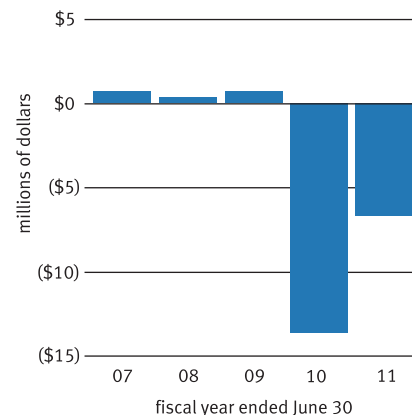
Operating Results

OCLC had an operating loss in fiscal 2011 of \$6.7 million, compared to a loss of \$13.7 million in fiscal 2010 (See "Consolidated Activities" below). The loss in fiscal 2011 was due to continued significant investment to enhance the WorldCat database and existing services and to develop new Web-scale Management Services. OCLC also did not increase prices in cataloging and resource sharing in North America. The improved result over fiscal 2010 reflects OCLC's efforts to reduce its costs.

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 the two most recent years, OCLC has achieved negative 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 2011 was 3 percent, compared to 3.6 percent through fiscal 2010. Excluding dividend and interest income and portfolio and other gains, the five-year rolling average as a percent of revenues through fiscal 2011 was -1.6 percent, compared to -0.9 percent through fiscal 2010.

Consolidated Activities	Fiscal Year	
(Amounts in Thousands)	2011	2010
Revenues	\$205,620	\$228,100
Operating Results	(6,680)	(13,680)
Investment activities		
Dividends and Interest Income	4,990	5,150
Net Realized Gains on Investment Portfolio	12,780	9,440
Gain on Sale of Product Lines	—	22,490
Net Contribution	\$11,090	\$23,400

Operating results before investment & nonrecurring activities

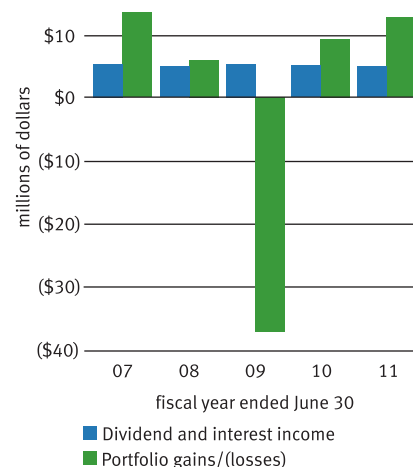


Investment activities include portfolio gain/(loss) and dividend and interest income. Nonrecurring activities include gains/(loss) on acquisition and sale of product lines.

Investment Activities

As of June 30, 2011, the investment portfolio stood at \$183.8 million, of which \$58.6 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 gains/(losses)



Library Services Review

In fiscal 2011, revenues were grouped for reporting purposes into the following eight library services categories (see Services Legend on page 44).

Metadata Services revenues increased \$400,000 to \$90.5 million. The number of books and other materials cataloged online remained at over 30 million in fiscal 2011, while the number of items cataloged by batchloading increased to 419.7 million, up from 359.2 million the previous year. OCLC published the print version of the new 23rd edition of the *Dewey Decimal Classification*. Language Sets and Metadata Services for Publishers were discontinued.

Delivery Services revenues decreased to \$51.3 million from \$51.5 million the previous year. WorldCat Resource Sharing revenue decreased due to a lower amount of online interlibrary loans and interlibrary loan fee management transfers, while the WorldCat Navigator service generated revenue growth. The number of online interlibrary loans decreased from 10.2 million to 9.6 million, and the number of interlibrary loan fee management transactions decreased from 988,000 to 917,000.

Revenues in Management Systems were \$16.9 million, down \$400,000 from fiscal 2010. The majority of these services are provided to libraries throughout Europe, and lower average euro to U.S. dollar exchange rates in fiscal 2011 contributed to the decrease. The German library systems provider BOND was acquired by OCLC in April 2011.

Revenues in Networked Library Services increased \$200,000 from fiscal 2010 to \$1.4 million, and included the first revenue realized for the implementation of OCLC's Webscale Management Services.

End User Services revenues were \$27.6 million, a decrease of \$800,000 from fiscal 2010. Revenues for the QuestionPoint, PiCarta, and FirstSearch OCLC Content services declined. Revenue for WorldCat Local remained flat.

Licensed Content revenues were \$5.5 million, which was \$4.3 million lower than

in fiscal 2010, due to the divestiture of the rights to license certain third-party databases that were made available via the FirstSearch service.

Revenues in Digital Services decreased \$200,000 to \$4.6 million, reflecting a slight decrease in CONTENTdm digital collection management revenue. Total digital records in WorldCat added via the Digital Collection Gateway increased to 12.4 million, up from 1.2 million the prior year. Approximately 1,000 organizations contributed records via the Gateway in fiscal 2011.

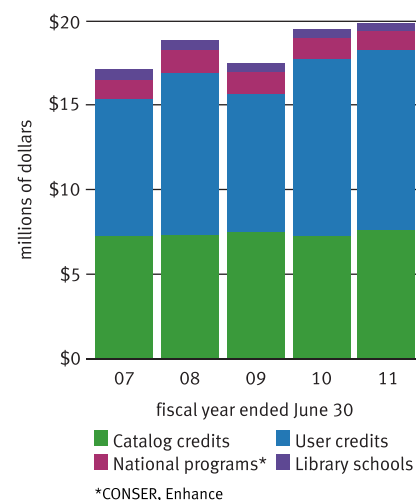
Other revenues in fiscal 2011 were \$7.9 million, a decrease of \$17.1 million from fiscal 2010. Reflected in the decrease were the sales of the NetLibrary and Preservation Service Center operations as well as a decrease in the level of grant-related activities.

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 price increases substantially below the level of inflation that educational institutions have experienced and also below increases in the Consumer Price Index (see chart, "Percent Change in HEPI, CPI and OCLC Cost Sharing," on page 9).

In fiscal 2011, OCLC provided libraries with \$19.8 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 \$93.1 million, clearly demonstrating OCLC's commitment to its public purposes.

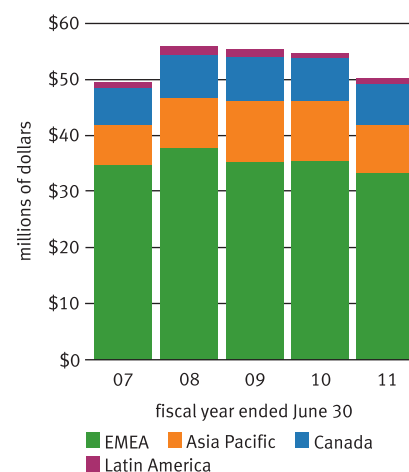
OCLC credits, subsidies and cooperative programs



Global Participation

In fiscal 2011, revenues from libraries and institutions outside the U.S. decreased \$4.6 million to \$50.2 million, reflecting the impact of OCLC's divestiture activity that took place during fiscal 2010 (see chart below, "Revenues by regions outside the U.S."). Currency translation decreased revenues by \$800,000 in fiscal 2011, compared to a \$700,000 increase in fiscal 2010.

Revenues by regions outside the U.S.



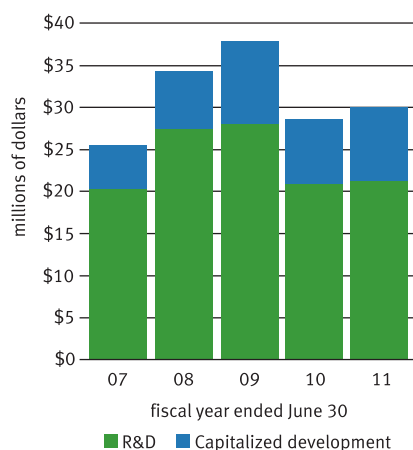
Enterprise Resource Investment

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 service introductions and replacement cycles for data centers, equipment and software. In fiscal 2011, enterprise resource investment was \$16.8 million (including capitalized development costs), a decrease of \$200,000 from the previous year. Over the last five years, enterprise resource investment has totaled over \$100 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 2011 were \$30 million, compared to \$28.7 million the previous year. Development expenditures 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 2011 were \$8.6 million, compared to \$7.7 million in fiscal 2010. Over the last five years OCLC has spent \$118.4 million for research and development and \$38.1 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 decreased to \$115.7 million from \$120.1 million the previous year due to the sale of service lines in fiscal 2010. The reduction in total expenses was partially offset by performance-based salary increases. Staffing at year-end increased over the prior year due to the acquisition of BOND in April 2011.

Five-Year Perspective

From fiscal 2006 to fiscal 2011, revenues declined from \$208.4 million to \$205.6 million. During that same period, Metadata and Delivery revenues increased \$21.8 million. Non-U.S. revenues increased \$4.6 million, including \$1.9 million in Management Systems as a result of OCLC's acquisition of library management system providers Amlib and BOND. In addition, OCLC launched the following services: WorldCat Selection; WorldCat Local; OCLC TouchPoint; WorldCat Navigator; and Web-scale Management Services. 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 available via the FirstSearch service.

Metadata Services remains OCLC's largest source of revenue. In fiscal 2006, it was \$79.4 million, or 38.1 percent of total revenue, and in fiscal 2011, it was \$90.5 million, or 44 percent of total revenue. Delivery Services revenue as a percent of total revenue has increased from 19.5 percent to 25 percent. End User Services revenue increased from 11.8 percent to 13.4 percent, and Management Systems revenue increased from 6.5 percent to 8.2 percent. Licensed Content revenue decreased from 8 percent to 2.7 percent (see chart on page 44, "Five-year service revenue comparison").

Corporate equity increased to \$239.7 million at June 30, 2011, representing a compound growth rate of 6.5 percent from fiscal 2006. Gains over the five-year period include: \$25.7 million in dividends and

interest income; \$22.7 million on the gain on sale of product lines; \$11 million due to changes in the post-retirement benefit plan; \$5.7 million in foreign currency translation; and a \$17.9 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 \$14.3 million.

Financial Position

As of June 30, 2011, OCLC had assets of \$385.7 million and corporate equity of \$239.7 million. Net working capital, which represents funds available for current operations, was \$166.6 million.

Current assets, including the investment portfolio, totaled \$259.8 million, an increase of \$20.6 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 service development opportunities, debt retirement (total debt was \$48.8 million at June 30, 2011) and security for advance subscription payments and unearned revenues (combined total of \$58.6 million as of June 30, 2011). The balance of cash and investments at June 30, 2011 was \$218.3 million, compared to \$194.3 million at June 30, 2010, reflecting gains in the equity portfolio.

OCLC's current ratio of 2.8:1 compares favorably to OCLC's targeted benchmark of 1.5:1. The debt service ratio of 1.9:1 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 continues to be 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.

Financial Review and Management Commentary

Five-year Review and Selected Financial Data

CONSOLIDATED (Amounts in Thousands)	2011	2010	Fiscal Year Ended June 30		
			2009	2008	2007
FINANCIAL RESULTS:					
Revenues	\$205,620	\$228,100	\$240,450	\$246,420	\$234,950
Operating Expenses	209,510	237,660	236,610	242,460	230,290
Other Income/(Expense) (A)	(2,790)	(4,120)	(3,130)	(3,330)	(3,940)
Operating Results Before Investment Income and Other Gains	(6,680)	(13,680)	710	410	720
Dividends and Interest Income	4,990	5,150	5,240	5,000	5,290
Net Realized Gains/(Losses) on Investment Portfolio	12,780	9,440	(37,160)	6,070	13,520
Gain on Sale of Product Lines (B)	0	22,490	0	220	0
Net Contribution/(Loss) (C)	11,090	23,400	(31,210)	11,700	19,530
Depreciation and Amortization	22,590	27,660	26,670	27,760	27,650
Net Cash Provided by Operating Activities	30,330	22,020	40,030	20,670	39,870
Enterprise Resource Investment (D)	16,770	16,990	26,150	20,490	19,670
Research & Development Costs, net of capitalization	21,410	21,000	28,140	27,560	20,320
FINANCIAL POSITION:					
Current Assets, including long-term investments	259,830	239,190	220,490	264,440	261,870
Current Liabilities	93,270	86,400	112,480	118,170	120,920
Net Working Capital	166,560	152,790	108,010	146,270	140,950
Fixed Assets—Net	118,040	115,270	132,320	134,990	132,300
Total Assets	385,690	362,890	359,900	414,170	405,630
Long-Term Debt and Capital Leases—Less Current Portion	38,010	49,560	52,280	64,020	46,170
Corporate Equity	239,660	209,590	177,110	211,800	206,420
PERFORMANCE COMPARISON:					
Current Ratio	2.8	2.8	2.0	2.2	2.2
Long-Term Debt/Corporate Equity	0.2	0.2	0.3	0.3	0.2
Annual Growth in Revenues	-9.9%	-5.1%	-2.4%	4.9%	12.7%
Compound Growth (from 2006)	-0.3%				
Operating results as a percentage of Revenues	-3.2%	-6.0%	0.3%	0.2%	0.3%
Five-Year Average	-1.6%				
Net contribution (loss) as a percentage of Revenues	5.4%	10.3%	-13.0%	4.7%	8.3%
Five-Year Average	3.0%				
Annual Growth in Corporate Equity	14.3%	18.3%	-16.4%	2.6%	17.8%
Compound Growth (from 2006)	6.5%				
IRB Debt Service Coverage (E)	1.9	1.6	2.8	2.6	2.8
Employees (End of Year)	1,183	1,143	1,303	1,277	1,253

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

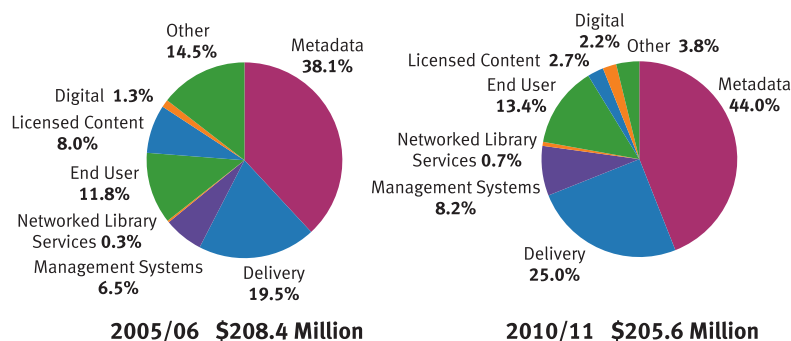
(B) Includes gains on sale from OCLC's NetLibrary Division and the rights to license certain third-party databases, and the Preservation Service Center in fiscal 2010. Also includes the gain on sale from Strata Preservation N.V. in fiscal 2008.

(C) Net Contribution/(loss) represents the excess of revenues over expenses.

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

(E) 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 revenue comparison



Services Legend

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

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

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

Networked Library Services: Web-scale Management Services, Collection Analysis, EZProxy

End User: PiCarta, CPORTAL, ZPORTAL, OCLC TouchPoint, WorldCat Local, FirstSearch OCLC Content, ArchiveGrid, QuestionPoint, EasyBib

Licensed Content: Licensed Databases, E-journals

Digital: CONTENTdm, Digital Services

Other: WebJunction, Research Library Partnerships, Data Services, NetLibrary, Preservation Service Center, Metadata Services for Publishers, other income

Condensed Consolidated Balance Sheets

June 30, 2011 and 2010

	2011	2010
Assets		
CURRENT ASSETS	\$ 259,833,700	\$ 239,185,700
FIXED ASSETS—At cost, less accumulated depreciation and amortization	118,043,200	115,271,800
OTHER ASSETS	7,810,900	8,430,100
TOTAL	<u>\$ 385,687,800</u>	<u>\$ 362,887,600</u>
Liabilities and Corporate Equity		
CURRENT LIABILITIES	\$ 93,273,900	\$ 86,397,100
LONG-TERM DEBT AND CAPITAL LEASES—Less current portion	38,006,500	49,563,700
OTHER NONCURRENT LIABILITIES	14,745,100	17,339,100
CORPORATE EQUITY	239,662,300	209,587,700
TOTAL	<u>\$ 385,687,800</u>	<u>\$ 362,887,600</u>

Condensed Consolidated Statements of Revenues, Expenses and Corporate Equity

for the years ended June 30, 2011 and 2010

	2011	2010
REVENUES	<u>\$ 205,618,900</u>	<u>\$ 228,095,100</u>
OPERATING EXPENSES:		
Salaries, wages and related fringe benefits	115,727,100	120,121,000
Selling, general and administrative	35,480,100	35,953,600
Library services	27,318,300	45,248,000
Depreciation and amortization	22,594,500	27,661,500
Building and utilities	8,393,000	8,670,800
Total operating expenses	<u>209,513,000</u>	<u>237,654,900</u>
DEFICIT OF REVENUES OVER OPERATING EXPENSES	(3,894,100)	(9,559,800)
OTHER INCOME—Including investment income	14,986,000	32,957,700
EXCESS OF REVENUES OVER EXPENSES	11,091,900	23,397,900
NET CHANGE IN UNREALIZED GAIN ON INVESTMENTS	13,991,700	8,387,000
POSTRETIREMENT BENEFIT PLAN ADJUSTMENT	3,757,800	1,402,800
FOREIGN CURRENCY TRANSLATION ADJUSTMENT	1,233,200	(710,000)
INCREASE IN CORPORATE EQUITY	<u>30,074,600</u>	<u>32,477,700</u>
CORPORATE EQUITY—Beginning of year	<u>209,587,700</u>	<u>177,110,000</u>
CORPORATE EQUITY—End of year	<u>\$ 239,662,300</u>	<u>\$ 209,587,700</u>

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

Condensed Consolidated Statements of Cash Flows

for the years ended June 30, 2011 and 2010

	2011	2010
CASH PROVIDED BY OPERATING ACTIVITIES:		
Excess of revenues over expenses	\$ 11,091,900	\$ 23,397,900
Adjustments for non-cash items	19,240,300	(1,377,100)
Cash provided by operating activities	30,332,200	22,020,800
CASH USED IN FINANCING ACTIVITIES	(10,101,200)	(4,296,200)
CASH USED IN INVESTING ACTIVITIES	(17,006,200)	(25,446,700)
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	1,012,400	(935,300)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,237,200	(8,657,400)
CASH AND CASH EQUIVALENTS, Beginning of year	19,746,000	28,403,400
CASH AND CASH EQUIVALENTS, End of year	\$ 23,983,200	\$19,746,000

Condensed Consolidated Notes

for the years ended June 30, 2011 and 2010

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 website: www.oclc.org/news/publications/financial/.

2. ACQUISITIONS AND DIVESTITURES

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. Royalties received for the years ended June 30, 2011 and 2010, were \$202,200 and \$124,300, respectively.

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.

BOND—Effective April 15, 2011, OCLC EMEA B.V. acquired certain assets and related liabilities of B.O.N.D. GmbH & Co. KG ("BOND"), a German software development organization specializing in library management systems for 4,100,000 Euros (\$5,915,400). The agreement allows for additional consideration of up to a maximum of 1,500,000 Euros that may be paid if BOND achieves predefined revenue targets during fiscal year 2012. The fair value of the contingency is deemed to be zero at June 30, 2011. The purchase was accounted for by the acquisition method of accounting. Assets acquired, primarily software of 4,823,600 Euros (\$6,959,500) and liabilities assumed, primarily contract performance liabilities of 723,600 Euros (\$1,044,100) were based on their fair values at the date of acquisition. BOND's operations subsequent to the date of the sale are included in the consolidated financial statements for the year ended June 30, 2011, and its revenues for the two and a half months ended June 30, 2011, were \$283,000.

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

3. INVESTMENTS

Realized gains and losses related to investments are recorded using the specific identification method. Net unrealized gains on the portfolio totaled \$23,348,600 and \$9,356,900 at June 30, 2011 and 2010, respectively. The following schedule details investment returns for the years ended June 30:

	2011	2010
Dividends and interest income	\$ 4,992,100	\$ 5,149,900
Net realized gains	12,867,000	11,263,200
Other-than-temporary impairment	(455,500)	(1,686,000)
Gain (loss) from equity contracts	370,800	(140,700)
Investment income	17,774,400	14,586,400
Net change in unrealized gain on investments	13,991,700	8,387,000
Total net investment return	\$ 31,766,100	\$ 22,973,400

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 \$9,653,600 and \$8,420,400 at June 30, 2011 and 2010, 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 \$25,373,100 and \$27,939,500 at June 30, 2011 and 2010, respectively. 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. CONTINGENCIES

On July 28, 2010, a complaint against OCLC was filed in the U.S. District Court of Northern California alleging federal and state antitrust violations and unfair competition. The complaint was subsequently transferred to the U.S. District Court, Southern District of Ohio. OCLC's General Counsel, working with trial counsel, is responding 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 website: www.oclc.org/news/publications/financial/.

OCLC Headquarters

Staff at OCLC Headquarters in Dublin, Ohio, USA, work with colleagues in other OCLC offices around the world. For a current list of these locations, see www.oclc.org/contacts/offices/.

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OCLC Service and Consortia Partners

In the USA, 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. Learn more: www.oclc.org/us/en/partnerships/service/.

American Theological Library Association (ATLA)

www.atla.com
300 South Wacker Drive, Suite 2100
Chicago, Illinois 60606-6701
1-312-454-5100
1-888-665-ATLA

Amigos Library Services, Inc.

www.amigos.org
14400 Midway Road
Dallas, Texas 75244-3509
1-972-851-8000
1-900-843-8482

Califa

www.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)

www.ctlibrarians.org
234 Court Street
Middletown, Connecticut 06457-3304
1-860-344-8777

Federal Library and Information Center Committee (FEDLINK)

www.loc.gov/flicc
Library of Congress
101 Independence Avenue, SE
Washington, DC 20540-4935
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 62701-1796
1-217-785-1532
1-800-665-5576, ext. 2

LYRASIS

www.lyrasis.org
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1438 West Peachtree Street, NW
Suite 200
Atlanta, Georgia 30309
1-800-999-8558
Regional 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
1407 Rensen Street, Suite 1
Lansing, Michigan 48910-3657
1-800-530-9019

Minitex Library Information Network

www.minitex.umn.edu
University of Minnesota
15 Andersen Library
222 21st Avenue South
Minneapolis, Minnesota 55455-0439
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

NC LIVE

www.nclive.org
NCSU Libraries
Campus Box 7111
Raleigh, North Carolina 27695-7111

OHIONET

www.ohionet.org
1500 West Lane Avenue
Columbus, Ohio 43221-3975
1-614-486-2966
1-800-686-8975

WALDO

www.waldolib.org
PO Box 360
Somers, New York 10589
1-866-579-6051

Wisconsin Library Services (WiLS)

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

Annual Report Photography

Rich Skopin, OCLC

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