

December 19, 2008

Dear Library Partner:

I am proud to provide to you a year-end report on the results we have achieved together through your OverDrive “Virtual Branch” download service. I am also excited to share with you what you can expect from OverDrive next year. This report is divided into three sections:

1. *Key Milestones from 2008*
2. *New Product and Service Announcements for 2009*
3. *OverDrive Briefings at ALA Denver or via Teleconference for your library*

1. **Key Milestones from 2008**

A few key achievements from 2008 for our library partners include:

- On December 16, 2008 patron checkout of OverDrive download media titles from libraries exceeded **ten million** (10,000,000) items. This represents hundreds of millions of hours (CDs) of audiobook content plus millions of eBooks, music and video titles delivered to your patrons from your “Virtual Branch” website.
- OverDrive introduced to the library community DRM-free **MP3 audiobooks for iPod®**, iPhone® and iPod® touch, including support for almost every MP3 player and mobile phone on the market. OverDrive currently offers 5,500 audiobooks in the MP3 format from many leading publishers.
- With the successful launch of **OverDrive Media Console™ for Mac®**, we now provide direct download of MP3 audiobooks to Macs and direct transfer of MP3 audiobooks from Macs to iPod and iPhone products. Now all PC and Mac users can enjoy download audiobooks from your library.
- The OverDrive inventory of digital media exceeded **150,000 titles** in 2008, with a broad assortment of eBooks, audiobooks, music and video to suit every taste. We continue to add thousands of new titles each month.
- We were proud to unveil new **content partnerships** with Penguin, Simon & Schuster, Starz Media, Random House eBooks, University of Chicago Press, Encyclopedia Britannica, Nettwerk Music Group, Victory Records, Razor & Tie, Matrix Media, and Tantor Media, joining Books on Tape, Listening Library, HarperCollins, Brilliance, Blackstone, BBC America, McGraw-Hill, Wiley, Pearson, PBS, Janson Media and hundreds of others.
- 2008 saw the inaugural national tour of the **Digital Bookmobile**. We supported more



than 40 events throughout the U.S., providing an immersive download experience and hands-on training to thousands of readers of all ages. Hundreds of library staff presented their OverDrive download service, garnering dozens of positive media articles for libraries (see www.digitalbookmobile.com).

- Together we celebrated digital media in the library and shared best practices with hundreds of leading librarians and publishers at **Digipalooza '08** in Cleveland.
- The OverDrive Partner Services team conducted **online and in-person training** for over 10,000 library staff. We achieved record participation of 5,000 librarians during OverDrive Open Training Month in September.
- OverDrive printed 1,097,500 bookmarks promoting your libraries' download media service. We also provided posters, web links, PR support and other **promotional tools** to help you maximize circulation.

2. New OverDrive Product and Service Announcements for 2009

For 2009, OverDrive will continue its leadership with the following innovations and new services. These are grouped in three areas:

New Mobile Services and Digital Books Optimized for Mobile Devices

- Mobile Library for your OverDrive "Virtual Branch" website for browse, check out, and download over the air from web-connected phones and PDAs. OverDrive servers will automatically detect if a patron is visiting your download website from a mobile device and seamlessly provide an optimized mobile web browser experience. Try browsing now from your Blackberry, iPhone, Smartphone, Treo, or other device at <http://ebooks.nypl.org>.
- The launch of eBooks in EPUB format optimized for the Sony Reader and other portable reading devices. Many leading publishers are now providing OverDrive their new best-selling titles in EPUB format instead of PDF. This will provide an enhanced reading experience on PCs, Macs, and the Sony Reader. OverDrive is already successfully supplying EPUB eBooks to leading online booksellers.
- The release of OverDrive Media Console for Smartphones and Windows Mobile® devices. Patrons with Verizon, Sprint, and other mobile broadband services using a Windows Mobile device will soon enjoy a complete, end-to-end experience at your library's download website (browse, checkout, download and use of OverDrive WMA and MP3 audiobooks, Music and Video titles).
- Announcements regarding eBooks and audiobooks for the iPhone and virtually every cell phone platform on the market. Every phone with a screen will be a potential reader for the download audiobooks and eBooks in your OverDrive download catalog.

Social, Real-time, On-Demand, and Interactive Reader Services

OverDrive will announce and demonstrate new interactive book and reader services that will enable your patrons to discover and access your download audiobooks, eBooks and the rest of your digital media collections in new and innovative ways. During 2009,





OverDrive will release an extraordinary upgrade for OverDrive Media Console with many graphical, ease-of-use, and mobile device conveniences for your patrons. These include reader recommendations, user-generated ratings for audiobooks (and other media), and other new social tools to encourage patrons to share their selections and preferences.

We are also preparing to add a new user “select your lending period” option, permitting increased turnover of titles for fast readers and those seeking shorter lending periods.

New Content Licensing and Business Terms to Maximize Your OverDrive Download Service

During 2009, we will make announcements regarding DRM-free materials in several formats. These include no-DRM eBooks, no-DRM music (MP3), no-DRM video, to be compatible with an even wider range of mobile devices including the iPod, the iPhone, and nearly all web-connected phones. Our business development team has reached agreements with dozens of suppliers eager to add their titles to your OverDrive download catalog with support for PC, Mac, and popular portable MP3 players and phones.

3. OverDrive Briefings for Your Library at ALA Midwinter Denver or via Teleconference

I am delighted to invite those attending the ALA Midwinter Conference in Denver to schedule a time to meet with me and/or members of our team to discuss plans for 2009. We will be on the exhibit floor for the entire show, January 23-26, in booth #2042. If you are not attending ALA Midwinter, I invite you to schedule a time after ALA for an OverDrive teleconference to brief your library team on these new additions to our technology platform and how we will continue to add value for our partnership. At the end of this letter, you'll find contact information to help you arrange for a meeting in person or via teleconference.

In Summary

In this challenging economic climate, we will continue to work hard to ensure that every dollar invested in your OverDrive download service provides cost-effective results and value for your community. I am hopeful that you will count on our track record for success for your digital media budget. And, please remember that we are able to include each of the innovations outlined above – past, present and future – in your service at no extra cost.

I am very appreciative of your support and hope that you, your family, and your associates all have an enjoyable holiday season and New Year.

Very truly yours,

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To schedule meetings at ALA Midwinter, or a teleconference briefing:

Please contact Shannon Lichy, Manager of Partner Services,
Shannon@overdrive.com or 216/573-6886 x217.

