

On2 Technologies Partners With China's CCTV.com To Deliver Video Coverage Of The Beijing Olympics Over The Web

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CCTV.com VOD service uses On2 VP6-based Adobe® Flash® video

Tarrytown, NY (July 17, 2008) – On2 Technologies, Inc. (Amex: ONT), a leader in video compression technologies, announced today that China Central Television's CCTV.com will use On2 Flix® Engine to encode and publish new media video coverage of the Beijing Olympics. CCTV.com, the official internet and mobile phone broadcaster of the 2008 games, will deliver an exclusive video on demand service using On2 VP6-based Adobe Flash video across its network of more than 1000 servers; bringing 24/7 accessibility of the 2008 Beijing Olympics to China's internet users.

By using On2's Flix Engine, CCTV.com will benefit from the latest encoding tools for the format, which deliver up to a 40% performance improvement over legacy VP6 encoders, and are particularly effective for encoding fast movement sequences characteristic to sports coverage.

"Our bandwidth costs are very high as we need to support a large number of concurrent downloads, and this will inevitably increase during the Olympics," says Mr. Shan Xiaolei, Director, Technology Management Commission, CCTV.com. "On2 has helped us quickly address this problem by contributing the Flix Engines we need to publish our sports coverage in TrueMotion®-based Flash video."

By using On2 technology, CCTV.com is able to reduce the bandwidth needed to deliver high quality web video by as much as 40%. Following this initial collaboration, CCTV intends to expand the use of On2's solutions to deliver video across multiple screens.

"We are pleased to provide CCTV.com with the technologies they need to deliver a high quality VOD service in time for the Olympics," says Eero Kaikkonen, Chief Marketing Officer, On2 Technologies. "We see this as the beginning of a long term partnership that will see our two companies working together to lay the foundation of web TV in China."

Flix Engine is a leading server side platform for encoding and publishing Flash video. The On2 VP6 video compression scheme is used by many of the leading UGC sites, CDNs and content owners including Facebook, Daum, Eurosport, Akamai and Brightcove to encode all genres of video targeted for web delivery in Flash format. Coupling high quality with low datarates and supporting cue points and alpha channel in Adobe Flash, VP6 is proprietary to On2 Technologies, and as such does not bear content royalties like those levied by MPEG-LA. For more information, visit www.on2.com.

About On2 Technologies

On2 creates advanced video compression technologies for desktop and wireless. Powering the video in many of today's leading web and mobile applications and devices, On2's customers include: Nokia, Infineon, Mediatek, Sony, Facebook, Brightcove, Move Networks, Adobe and Skype. On2 Technologies is headquartered in Tarrytown, NY USA. For more information please visit www.on2.com.

About CCTV.com

CCTV.com is the new media service platform of China Central Television (CCTV) and is the only organization that can authorize others air CCTV's content online. It holds a full network broadcasting license in China, which includes web TV, mobile TV, and IPTV.. By combining the high-quality contents assets from

CCTV and other institutions, and network technologies, CCTV.com provides live broadcasting, re-broadcasting, Video on Demand, download and audio video search services. It is the most prominent internet and mobile audio and video broadcaster in mainland China.

In Dec, 2007, CCTV.com signed an agreement with the International Olympics Committee (IOC) on new media broadcasting rights, thus becoming the first official internet and mobile phone broadcaster in Olympic history.

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