

On2/Google Merger

Merger Highlights

Transaction Delivers a Significant Premium to On2 Stockholders

- The merger consideration provides \$0.60 worth of Google Class A Common Stock in exchange for each share of On2 Common Stock and/or cash payable in lieu of any fractional shares.
- The merger consideration represents a premium of:
 - Approximately 57% over the closing price of On2 Common Stock on August 4, 2009 (the trading day on which the Board of Directors approved the merger agreement);
 - Approximately 62% over the average closing price of On2's Common Stock for the 6-month period ending on August 4, 2009; and
 - Approximately 70% over the average closing price of On2 Common Stock over the 12-month period ending on August 4, 2009.
- The Board of Directors believes the proposed merger with Google is in the best interests of On2 stockholders and provides a significant opportunity for On2's stockholders to receive greater value now for their shares than any uncertain near- and long-term value that might be realized were On2 to remain independent.
- The proposed merger provides stockholders receiving shares of Google Class A Common Stock with the opportunity to become Google stockholders in a tax-free manner.
- The Board of Directors received opinions from two well-respected financial advisors as to the fairness, from a financial point of view, of the exchange ratio.

Transaction Valuation Supported by Multiple Financial Analyses

- An analysis of the valuations of a peer group of selected publicly traded companies;
- An analysis of recent comparable M&A transactions;
- An analysis of the current value of On2's projected future revenue stream (discounted cash flow);
- An analysis of the premiums paid by purchasers to acquire publicly traded companies in precedent M&A transactions; and
- A benchmarking analysis, used to compare On2 to its peer companies.

Fairness of Transaction Supported by a Rigorous and Deliberative Board Process

- The proposed merger was unanimously approved by an independent Board of Directors (with one director abstaining), none of whom will serve as directors, officers or employees of Google or otherwise receive remuneration from Google in connection with, or following, the merger.
- The Board of Directors held 13 meetings over approximately five months, during which time the Board of Directors was advised by two independent financial advisors and two leading law firms.
- The Board of Directors engaged in active and thorough consultation with members of senior management.
- The transaction valuation is supported by multiple financial analyses and presentations, including separate fairness opinions from Duff & Phelps and Covington Associates, two well-respected financial advisors.

On2's Challenges and Weaknesses

The Board of Directors considered a variety of challenges and weaknesses currently facing the company in reaching its conclusions, including:

- Increased competition from:
 - Google developing or acquiring competing products and using them for its YouTube properties and/or making them broadly available at low cost to users;
 - Competitors, including Google, with greater name recognition and far more financial or other resources; and
 - New entrants and competing technologies marginalizing On2's core VPx products.
- Challenges to increasing or sustaining revenue and profit margins resulting from:
 - Competitors decreasing their pricing;
 - The lack of availability of VP7 or VP8 in a widely distributed multimedia player, which is likely necessary to drive demand on royalty bearing devices;
 - The lengthy period between the release of a new generation of On2's technology and the potential appearance of royalty bearing devices that support such technology;
 - Declines in bandwidth cost potentially obviating the advantages of higher quality codecs; and
 - Increased adoption of and improvements to the competing H.264 standard.

On2's Challenges and Weaknesses (Cont'd.)

- On2's deteriorating liquidity and financial condition, particularly with respect to:
 - The significant costs of maintaining public company status;
 - On2's micro-cap status and limited access to capital;
 - On2's limited cash position and other resources and the impact of those limited resources on its R&D, sales and marketing activities and thus on its ability to grow, notwithstanding its belief in its superior technology; and
 - Issues related to On2's Hantro products business, including an inability to fund potential capital requirements.
- On2's dependence on a small group of key codec engineers, a number of whom have been offered positions at Google in the event the merger is consummated with compensation that is far in excess of what they presently receive or could expect to receive at On2;
- On2's current and future challenges retaining key employees and management; and
- On2's existing challenges monetizing its technology.

The preceding discussion of the factors considered by the Board of Directors is intended to be illustrative and not exhaustive. For additional information concerning the factors considered by the Board of Directors, please refer to the proxy statement/prospectus filed by Google.

The Company Has Received No Post-Signing Acquisition Proposals

- The merger agreement permits the Board of Directors, subject to certain conditions, to engage in discussions and negotiations with third parties making unsolicited, written acquisition proposals and to furnish such third parties with non-public information relating to On2.
- The Board of Directors also negotiated for a termination fee of only \$2 million (down from Google's initial request of \$5 million), or approximately 1.9% of the aggregate consideration being paid by Google for On2's equity. Such termination fee is payable to Google upon the termination of the merger agreement under specified circumstances described in the proxy statement/prospectus, such as On2 engaging in an acquisition transaction with a third party in specified circumstances. The termination fee, equivalent to approximately \$0.01 per On2 share of Common Stock, is below market (and thus more favorable to On2) compared to other recent transactions.
- Since announcement of the merger agreement, no such acquisition proposals or interest from third parties have been received by On2.

Significant Risks Related to On2's Business if the Merger Is Not Consummated

- As of September 30, 2009, On2 had cash and short-term investment reserves of approximately \$2.2 million and negative working capital of approximately (\$4.1) million compared with cash and short-term investment of \$4.3 million and negative working capital of (\$1.9) million as of December 31, 2008. On2 has incurred expenses in connection with the proposed merger in excess of \$2 million that On2 will remain responsible for if the merger is not consummated.
- If the proposed merger is not consummated, On2 may find it necessary to secure additional financing to operate its business and to execute its business plan. This could require On2 to:
 - issue equity securities, which may result in significant dilution to stockholders;
 - issue debt securities, which could carry restrictive or otherwise unfavorable terms;
 - sell its revenue-producing assets; and/or
 - pledge its assets as security for debt.
 - The availability of any such financing is uncertain, and failure to secure it could further materially impair On2's liquidity and financial condition as well as the value of a stockholder's investment.

Significant Risks Related to On2's Business if the Merger Is Not Consummated (Cont'd.)

- On2's royalty dependent licensing model remains unproven by On2, and it may be more difficult to implement than anticipated. If the proposed merger with Google is not consummated, On2 may be forced to revert to a business model and strategy that are uncertain given On2's size and limited resources and for which there can be no assurance On2 will ever achieve or sustain profitability.
- On2 has experienced, and expects to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. The fact that On2's key employees have been given the prospect of being able to work at a company such as Google, and on terms that a company such as Google is able to offer, will only increase the challenges faced by On2 in retaining such key employees if the merger is not consummated. If On2 does not succeed in attracting new personnel or retaining and motivating its current personnel, On2's operating results and revenues could be adversely affected.
- On2's business remains subject to significant variability. Although On2's performance in recent quarters has been positively affected by one-time license fees, it cannot reasonably be expected that this will continue to occur in subsequent quarters.

Conclusion

We believe that the proposed merger with Google provides a significant opportunity for On2 stockholders to receive value now for their shares that is greater than any uncertain long-term value that might be realized were On2 to remain independent. **The Board of Directors believes the merger is in the best interests of On2 stockholders and strongly recommends that On2 stockholders vote FOR the proposed merger.** We believe this transaction is critical to you as a stockholder and to your company and ask that you vote your shares in favor of the proposed merger today.

Additional Information and Where to Find It

Google has filed a Registration Statement with the SEC in connection with the proposed merger, which includes a Proxy Statement of On2 and also constitutes a Prospectus of Google. The definitive proxy statement/prospectus has been mailed to holders of On2 Common Stock identified as of October 20, 2009, which is the notice record date for the special meeting. The Registration Statement and the proxy statement/prospectus contain important information about Google, On2, the proposed merger and related matters. Investors and security holders are urged to read the Registration Statement and the proxy statement/prospectus (including all amendments and supplements to it) carefully. Investors and security holders may also obtain free copies of the Registration Statement and the proxy statement/prospectus and other documents filed with the SEC by Google and On2 through the web site maintained by the SEC at www.sec.gov and by contacting Google Investor Relations at +1-650-253-7663 or On2 Investor Relations at +1-518-881-4299. In addition, investors and security holders can obtain free copies of the documents filed with the SEC on Google's website at investor.google.com and on On2's website at www.on2.com.

This Presentation Does Not Contain All of the Information in the Proxy Statement/Prospectus

Some of the matters included in this presentation are summaries of material information set forth in the proxy statement/prospectus that has been mailed to stockholders, as described above. This presentation may not contain all of the information that is important to you. In addition to this presentation, we urge you to read carefully the entire proxy statement/prospectus and the other documents to which we refer you therein in order to fully understand the proposed merger.

Forward-Looking Statement

Information set forth in this presentation contains forward-looking statements, which involve a number of risks and uncertainties. All statements included in this communication, other than statements of historical fact, that address activities, events or developments that On2 expects, believes or anticipates will or may occur in the future are forward-looking statements. These statements represent On2's reasonable judgment on the future based on various factors and using numerous assumptions and are subject to known and unknown risks, uncertainties and other factors that could cause actual outcomes and/or On2's financial position to differ materially from those contemplated by the statements. You can identify these statements by the fact that they do not relate strictly to historical or current facts. They use words such as "believe," "expect," "will," "anticipate," "should," "plans" and other words of similar meaning. On2 cautions readers that any forward-looking information is not a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking information. Investors should not rely on forward-looking statements because they are subject to a variety of risks and uncertainties and other factors that could cause actual results to differ materially from On2's expectation. Risks and uncertainties include, among others: the extent to which On2 will continue to incur operating losses in the future; the risk that the conditions to merger set forth in the agreement and plan of merger will not be satisfied and the transaction will not be consummated; uncertainties as to the timing of the merger; uncertainties as to whether holders of On2 Common Stock will approve the merger proposal at the On2 special meeting; changes in On2's business during the period between now and the effective time of the merger that could cause a condition to closing not to be satisfied; as well as other factors detailed in On2's and Google's filings with the SEC, including the definitive proxy statement/prospectus, and subsequent SEC filings.

Additional information concerning risk factors is contained from time to time in On2's SEC filings. On2 expressly disclaims any obligation to update the information contained in this presentation. The foregoing risks and uncertainties included herein are not exhaustive.