

For Immediate Release

Smart Online Inks Distribution Agreement with DDNi

Partnership Introduces OneBiz Small Business Applications to Entrepreneurs

Research Triangle Park, N.C., and Scotts Valley, Calif. (February 3, 2009) – Smart Online, Inc. (OTCBB: SOLN, www.smartonline.com), a leading provider of Software-as-a-Service (SaaS) applications for the small business market, and [Digital Delivery Networks, Inc. \(DDNi\)](http://www.ddni.com) a PC customer experience company, today announced a marketing-focused distribution agreement.

Under the terms of the agreement, DDNi will present Smart Online's suite of OneBiz[®] applications for small business through its OASIS 2.0 client management platform. DDNi's OASIS is already integrated into the desktop and notebook systems of leading OEM PC manufacturers and "white box" resellers.

The OneBiz suite of Web-based applications is designed to help streamline business processes, reduce operating costs and improve internal controls of small businesses as well as SOHO operations.

"DDNi's mission is to make the PC user experience highly personalized, productive and, in the case of small business operators, more profitable," said Michael Kuptz, DDNi's CEO. "In Smart Online, we found a partner whose OneBiz suite empowers small businesses to use their PC as a conduit to utilize SaaS applications, resulting in a more streamlined and efficient way to conduct necessary business operations."

Trial versions of OneBiz applications will be available on OASIS 2.0-equipped PCs. Once a user goes through a sequence of questions posed from the DDNi Decision Center and indicates the PC will be used for business purposes, informational and media-rich descriptions of OneBiz applications will be introduced. The suite includes such practical programs as Human Resources Management, Financial Management, Customer Contact Management and more. They will be accessed from DDNi's Center Stage Application, a desktop destination that showcases tools and techniques to make the PC user experience as positive as possible. Once selected as a preferred application, OneBiz will be incorporated into a unique desktop interface that will take users directly to OneBiz SaaS applications without the need to launch a browser or login. These preferences are automatically stored in the OASIS launch site so that internet applications then appear and operate like applications that are traditionally stored on the desktop.

"Smart Online is excited to be partnering with DDNi to bring more value and purpose to small business users' PC computing activities," said Neile King, Smart Online's vice president of Marketing & Sales. "The OASIS 2.0 platform's Center Stage is an excellent vehicle to expose the power and simplicity of the OneBiz applications to small business operators that can benefit by making use of their capabilities."

About DDNi

Digital Delivery Networks (DDNi) is a PC customer experience company that provides software, infrastructure and digital marketing opportunities to personal computer (PC) companies, distribution partners and retailers. DDNi clients sustain superior application software and internet services and enable contextual marketing during the customers' daily desktop experience. DDNi's proprietary and patented platform allows PC companies and channel partners to create and maintain an ongoing branded relationship with its customers and the

opportunity to increase revenues throughout the PC's lifespan. DDNi is located in Scotts Valley, CA and is a privately held company.

About Smart Online

Smart Online, Inc. (OTCBB: SOLN) is a Research Triangle Park, NC-based software developer of OneBiz, a suite of best of breed applications for SOHO and small business to streamline business processes, reduce operating costs, and improve internal controls. Delivered securely via the Web, the Software-as-a-Service (SaaS) applications let small businesses more efficiently start, manage and grow their businesses. To learn more, please visit www.smartonline.com.

Forward-Looking Statements

Statements in this press release that are "forward-looking statements" are based on current expectations and assumptions that are subject to risks and uncertainties. Actual results could differ materially because of many factors, including, but not limited to, delays in development schedules, changes in market conditions, product announcements by other companies, the potential impact of current litigation or any future litigation, customer perception of the value of Smart Online's enhanced products, Smart Online's dependence on corporate partners to market its products, and its ability to effectively manage expenses. For further information regarding risks and uncertainties associated with Smart Online's business, please refer to the Risk Factors section of Smart Online's SEC filings, including, but not limited to, its Annual Report on Form 10-K for the year ended December 31, 2007 and the Quarterly Reports on Form 10-Q, copies of which may be obtained on the web site of the Securities and Exchange Commission. All forward-looking statements in this press release are based on information available to Smart Online on the date hereof. Smart Online undertakes no duty to update any forward-looking statement or to conform the statement to actual results or changes in Smart Online's expectations.

Smart Online and the Smart Online logo are trademarks and/or registered trademarks of Smart Online Inc. in the United States. Other marks belong to their respective owners.

#

Media Contacts:

Steve Hoechster (HEX-ster)
5W Public Relations for Smart Online
212-584-4306
shoechster@5wpr.com

Mark Peterson / Bill Cox
Experience Communications for DDNi
831-626-4400 / 208-381-0001
mark@experiencecom.com
bill@experiencecom.com