



Overland Storage Announces Strategic Manufacturing Agreement With Foxconn

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New Partnership Expands Overland's Manufacturing Capabilities and Improves Operational Efficiencies

SAN DIEGO, Oct. 20 /PRNewswire-FirstCall/ -- Overland Storage, Inc. (Nasdaq: OVRL) today announced it has reached a strategic manufacturing agreement with Foxconn, the largest and fastest growing multinational manufacturing services provider in the world. Under the terms of the agreement, Foxconn initially will collaborate with Overland on the manufacture of one product line within the company's portfolio of end-to-end data protection solutions.

"We are very pleased to partner with Foxconn to strengthen our product supply chain and global manufacturing capabilities," said Eric Kelly, CEO of Overland Storage. "Foxconn's award-winning business model should prove invaluable as we continue to improve Overland's operational efficiencies and cost structure. Together, we can leverage our respective IP portfolios and technology expertise to extend the reach of Overland's data protection products worldwide. This partnership with a tier-one contract manufacturer is an important step in transforming Overland's operations and delivering next-generation products that bolster our bottom line."

Foxconn is a global industry leader with a roster of accolades for manufacturing innovation, including a top 10 spot in BusinessWeek's IT 100 and consecutive rankings in the Fortune Global 500. The company currently is recognized as the largest exporter in China and the second largest in the Czech Republic.

"We are extremely excited to have been selected as a strategic partner in Overland Storage's supply chain solution," said Jackson Shih, vice president at Foxconn. "We believe that this relationship has significant synergistic benefits to both parties and look forward to a long and prosperous partnership for many years to come."

About Foxconn

Foxconn is the foremost provider of joint-design, joint-development, manufacturing, assembly and after-sales services to global Computer, Communication and Consumer-electronics ("3C") leaders.

About Overland Storage

Overland Storage, Inc. provides affordable end-to-end data protection solutions that are engineered to store smarter, protect faster and extend anywhere - across networked storage, media types, and multi-site environments. Overland Storage products include award-winning NEO SERIES® and ARCVault® tape libraries, REO SERIES® disk-based backup and recovery appliances with VTL capabilities, Snap Server® NAS appliances, and ULTAMUS® RAID high-performance, high-density storage. Overland sells its products through leading OEMs, commercial distributors, storage integrators and value-added resellers. For more information, visit Overland's web site at www.overlandstorage.com

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"Safe Harbor" Statement Under the Private Securities Litigation Reform Act of 1995

This press release includes forward-looking statements which reflect management's current views of future events including statements regarding the expected benefits of the company's agreement with Foxconn. Actual results may differ materially from the forward-looking statements due to a number of important factors, including the whether the parties agree to transition further product lines to Foxconn and the potential for problems, delays, unbudgeted expenses and inefficiencies that could result from the transition of manufacturing to Foxconn. Reference is also made to other factors detailed from time to time in the company's periodic reports filed with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this release and the company undertakes no obligation to publicly update any forward-looking statements to reflect new information, events or circumstances after the date of this release.

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