



Administrative Law Judge in Overland's ITC Case Delays Date of Initial Determination

May 23, 2012

SAN DIEGO, CA, May 23, 2012 (MARKETWIRE via COMTEX) --Overland Storage (NASDAQ: OVRL), the trusted global provider of effortless data management and data protection solutions across the data lifecycle, today announced that the Administrative Law Judge ("ALJ") in the U.S. International Trade Commission ("ITC") action brought by Overland Storage against BDT has issued an order delaying the date of his initial determination from May 24, 2012 to June 22, 2012.

"The ALJ's decision to extend the initial determination date is unfortunate, but we remain confident that the ALJ will reach a decision in our favor in June," said Eric Kelly, President and CEO of Overland Storage. "This delay does not impact our business strategy, and we will continue to protect our valuable assets as we deliver next generation enterprise technology and products to the growing mid-tier segment of the storage industry."

Overland filed a complaint with the ITC on October 19, 2010 against BDT, IBM and Dell, claiming infringement of two of its patents, United States Patent Nos. 6,353,581 and 6,328,766. Overland also filed a patent infringement lawsuit against the same companies in federal district court in San Diego, California. That case is stayed pending the outcome of the ITC action.

A seven-day trial at the ITC was completed on September 7, 2011. On November 16, 2011, Overland reported that the ITC and district court actions against IBM and Dell had been resolved by settlement.

The ALJ was originally scheduled to issue his initial determination on November 23, 2011. That date has been delayed a number of times, most recently to June 22, 2012. Delays like this one have become more common recently with the ITC due to an increasing caseload. The ALJ's order dated May 21, 2012 cited as reasons for the delay "the complexity of the Investigation, the large record created at the hearing, and the current workload of the undersigned," and his "administrative duties as Chief Administrative Law Judge."

The ALJ's June 22, 2012 initial determination will be subject to further review by the ITC. After the final resolution of the ITC litigation, Overland can resume enforcing its patents against BDT in federal district court, where Overland is seeking monetary damages from BDT as a result of BDT's infringement.

Overland is represented in the litigation by DLA Piper LLP (US).

About Overland Storage Overland Storage is the trusted global provider of effortless data management and data protection solutions across the data lifecycle. By providing an integrated range of technologies and services for primary, nearline, offline, archival and cloud data storage, Overland makes it easy and cost effective to manage different tiers of information over time. Overland SnapServer(R), SnapSAN(TM), NEO(R) and REO(R) solutions are available through a select network of value added resellers and system integrators. For more information, visit <http://www.overlandstorage.com/>.

Safe Harbor Statement

Except for the factual statements made herein, the information contained in this news release consists of forward-looking statements that involve risks, uncertainties and assumptions that are difficult to predict. Words and expressions reflecting optimism, satisfaction or disappointment with current prospects, as well as words such as "believes," "hopes," "intends," "estimates," "expects," "projects," "plans," "anticipates" and variations thereof, or the use of future tense, identify forward-looking statements, but their absence does not mean that a statement is not forward-looking. Such forward-looking statements are not guarantees of performance and our actual results could differ materially from those contained in such statements. Factors that could cause or contribute to such differences include, but are not limited to: our ability to maintain and increase sales volumes of our products; our ability to continue to aggressively control costs and operating expenses; our ability to achieve the intended cost savings and maintain quality with our new manufacturing partner; our ability to generate cash from operations; the ability of our suppliers to provide an adequate supply of components for our products at prices consistent with historical prices; our ability to raise outside capital and to repay our debt as it comes due; our ability to introduce new competitive products and the degree of market acceptance of such new products; the timing and market acceptance of new products introduced by our competitors; our ability to maintain strong relationships with branded channel partners; our ability to maintain the listing of our common stock on the NASDAQ Capital Market; customers', suppliers' and creditors' perceptions of our continued viability; rescheduling or cancellation of customer orders; loss of a major customer; general competition and price measures in the market place; unexpected shortages of critical components; worldwide information technology spending levels; and general economic conditions. Reference is also made to other factors detailed from time to time in our periodic reports filed with the Securities and Exchange Commission. These forward-looking statements speak only as of the date of this release and we undertake 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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