



Reports That No Infringement Occurred Are Inaccurate as ITC Affirms Both Overland Storage Patents Are Valid

June 25, 2012

Investor Conference Call Scheduled for Thursday, June 28, 2012 to Discuss Ongoing Litigation

SAN DIEGO, CA, Jun 25, 2012 (MARKETWIRE via COMTEX) --Overland Storage (NASDAQ: OVRL) today announced that Administrative Law Judge Charles Bullock of the U.S. International Trade Commission ("ITC") has issued a 125-page, full version of the Initial Determination that explains his reasoning in detail. The full Initial Determination is confidential and only the attorneys in the ITC action are able to review it. However, on June 22, 2012, attorneys for Overland Storage filed an emergency motion with the ALJ to obtain permission to share more information about the full Initial Determination with Overland Storage and the public.

"It has been reported that Judge Bullock's Initial Determination found no infringement of both of Overland's asserted patents," said Sean Cunningham, DLA Piper partner and lead counsel for Overland Storage. "Although we cannot yet disclose any of the details of the full Initial Determination, I can tell you that those reports are inaccurate."

On June 21, 2012, Overland Storage announced that the ALJ had issued a public notice of an Initial Determination affirming that both of Overland's asserted patents are valid, but found that BDT had not committed a violation of Section 337 of the Tariff Act of 1930, the statute that governs ITC actions. Section 337 is the statute under which ITC actions are brought for importing or selling of infringing products into the United States. There are additional legal requirements to find a Section 337 violation that are not requirements in finding infringement of a valid patent in a federal district court lawsuit.

"We understand that the full Initial Determination of the ITC contains positive news for our ongoing litigation," said Eric Kelly, President and CEO of Overland Storage. "I can assure you that Overland plans to continue its lawsuit against BDT both in the ITC and in federal district court."

Under ITC procedure, the Initial Determination is not a final resolution of an ITC action. After an Initial Determination is issued, the full Commission decides whether to review and modify the ALJ's Initial Determination. If the Commission decides to review the Initial Determination on the merits, the Commission will issue its decision in a Final Determination. The Commission's Final Determination is expected by October 22, 2012. Upon completion of the ITC case, Overland Storage plans to pursue monetary damages against BDT in district court.

Overland Storage has scheduled an investor conference call for Thursday, June 28, 2012 at 2 p.m. PDT (5 p.m. ET) to discuss the ongoing litigation and to share any additional details about the ITC action that can be shared at that time. To access the call, dial (877) 941-4774 (+1 (480) 629-9760 outside the United States) and when prompted, provide the pass code "Overland Storage" to the operator. Participants are asked to call the assigned number approximately 10 minutes before the conference call begins. In addition, a live and archived webcast of the conference call will be available over the Internet at www.overlandstorage.com in the Investor Relations section. A replay of the conference call will also be available via telephone by dialing (800) 406-7325 (+1 (303) 590-3030 outside the United States) and entering access code, 4548620#, beginning 8:00 p.m. ET on June 28, 2012 through 11:59 p.m. ET on July 5, 2012.

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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