



IBM and Dell Products From BDT Found to Directly Infringe Claims of Overland Storage Partitioning Patent

July 27, 2012

SAN DIEGO, CA -- July 27, 2012 -- Overland Storage (NASDAQ: OVRL), the trusted global provider of effortless data management and data protection solutions across the data lifecycle, today announced that the U.S. International Trade Commission ("ITC") has released the public version of the Initial Determination in the infringement action filed by Overland Storage against IBM, Dell and BDT. On November 16, 2011, Overland Storage reported that the ITC and District Court actions against IBM and Dell had been resolved by settlement.

The Initial Determination makes several key findings regarding Overland Storage's U.S. Patent No. 6,328,766, which relates to partitioning media elements as it relates to automated data storage and retrieval systems methods for allowing two computers to store and retrieve data without interfering with one another.

Some details of the initial determination are:

- All six asserted claims by Overland Storage of the partitioning patent '766 are valid
- The IBM TS3100 and TS3200 and the Dell TL2000 and TL4000 tape libraries, which are manufactured by BDT, "directly infringe" all '766 claims asserted by Overland Storage
- Overland Storage product development and manufacturing activities in the United States satisfy the ITC's domestic industry requirements for the partitioning ('766) patent

"Innovation is the driving force of technology companies, and the ability to create and protect their intellectual property is critical to companies as they develop new products and protect existing assets. After twenty-one months of investigation, it is satisfying to have the ITC rule that infringement has occurred," said Mr. Eric Kelly, President and CEO of Overland Storage. "These patented technologies are central to protecting data deployed in enterprises around the world. With an extensive portfolio of additional patents that have been granted, our IP portfolio will assist us in continuing to shape the future of the data management and data protection markets for years to come."

Overland Storage lead attorney Sean Cunningham, Partner at DLA Piper LLP commented, "Our legal system allows businesses to protect their patented inventions against unauthorized use. Our goal is to help protect Overland's valuable intellectual property, and to stop the defendants from illegally profiting from our client's innovations."

Overland Storage has petitioned the full Commission for a review of some of the Initial Determination's findings. If the Commission decides to review the Initial Determination on the merits, the Commission is expected to issue its decision in a Final Determination by October 22, 2012. Upon completion of the ITC case, Overland Storage plans to pursue monetary damages against BDT in district court.

Represented by DLA Piper LLP (US), Overland Storage previously reported that it filed additional lawsuits on June 28, 2012 claiming infringement of one or both of the Overland Storage patents involved in the ITC case against BDT. Those lawsuits name as defendants Quantum Corporation; Spectra Logic Corporation; PivotStor, Inc.; Qualstar Corporation; Tandberg Data GmbH; Tandberg Data Corp.; and Venture Corporation Limited. In addition to a royalty for its patented inventions, Overland seeks to prevent each of the defendants from using its patented technologies in the United States.

Overland Storage will host an investor conference call Tuesday, July 31st at 1:30 p.m. PDT (4:30 p.m. EDT) to discuss its ongoing litigation. To access the call, dial (877) 941-1429 (+1 (480) 629-9857 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.

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[®], SnapSAN[™], NE[®] and REO[®] 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 enforce our intellectual property rights; 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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