



Administrative Law Judge Issues Remand Initial Determination in Overland Storage's Patent Infringement Case

March 28, 2013

Previous Reports Are False and Misleading That Judge Declared Overland Patent Invalid in Media Storage Library Matter

SAN DIEGO, CA -- (MARKETWIRE) -- 03/28/13 -- Overland Storage (NASDAQ: OVRL), the trusted global provider of effortless data management and data protection solutions across the data lifecycle, today announced that Chief Administrative Law Judge Charles Bullock of the U.S. International Trade Commission ("ITC") has issued a Remand Initial Determination in the infringement action filed by Overland Storage against BDT and two of its customers.

The case involves two Overland Storage patents: U.S. Patent No. 6,328,766, which relates to creating partitions within a tape library, and U.S. Patent No. 6,353,581, which relates to a mail slot within a tape library.

In regards to the Remand Initial Determination of the '766 patent the following was determined:

- Claims 4, 5 and 10 have not been found to be invalid by Chief Judge Bullock.
- Claims 4, 5 and 10 were left unchanged by the Remand Initial Determination, and therefore prior reports regarding the invalidity of that patent are false and misleading.
- Claims 1-3 and 7-9 were found invalid in light of certain prior art.

The Remand Initial Determination also found that claims 10, 12, and 16 of the '581 patent are not infringed. Overland will request a review of these findings by the full ITC Commission.

"ITC litigation is a multi-phase process, right now we are focusing on the next step which is to petition the full Commission for a review of the Remand Initial Determination's findings," said Mr. Sean Cunningham, lead counsel for Overland Storage and a partner at DLA Piper LLP (US).

If the Commission decides to review the Remand Initial Determination on the merits, the Commission is expected to issue its decision in a Final Determination by June 25, 2013.

Overland Storage has 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. Upon completion of the ITC case, Overland Storage plans to pursue monetary damages against BDT in district court.

About Overland Storage

Overland Storage is a 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™, NEO® 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.

Connect with Overland Storage:

Read the Overland blog: <http://overlandstorage.com/blog>

Follow Overland on Twitter: <http://www.twitter.com/OverlandStorage>

Visit Overland on Facebook: <http://www.facebook.com/OverlandStorage>

Overland Storage, SnapSAN, SnapServer, NEO Series, REO Series and the Overland logo are trademarks Overland Storage, Inc., that may be registered in some jurisdictions. All other trademarks used are owned by their respective owners.

Investor Relations Contact:

Todd Kehrlí or Jim Byers

MKR Group Inc.

323-468-2300

ovrl@mkr-group.com