



Overland Data Fourth Quarter And Fiscal 1997 Revenues Grow To Record Levels

August 5, 1997

Net Income of \$.08 per share for the Quarter and \$.34 for the Year

SAN DIEGO, California - Overland Data, Inc. (NASDAQ/NMS:OVRL) reported today that revenues for its fiscal year ended June 30, 1997 totaled \$59.1 million, up 25% from revenues of \$47.2 million in fiscal year 1996. Net income for 1997 amounted to \$3.1 million, or \$.34 per share, on the basis of 9.2 million average shares, which reflects the Company's initial public offering in February, 1997.

Net income in fiscal year 1996, which included a \$997,000 fourth quarter, one-time adjustment of the Company's income tax valuation allowances, was \$3.2 million, or \$.40 per share, on 7.9 million average shares. Without the adjustment, 1996 net income would have been \$2.2 million, or \$.28 per share. Therefore, on a comparable basis, 1997 net income would have been up by 41% over 1996.

Revenues for the fourth quarter of fiscal 1997 totaled \$16.5 million, up 27% from revenues of \$13.0 million reported in the same quarter of the prior year. Net income for the quarter was \$935,000, or \$.08 per share, on 11.0 million average shares. Net income for the fourth quarter of 1996 was \$1.8 million, or \$.22 per share, on 8.0 million average shares. Without the one-time income tax adjustment referred to above, net income would have been \$766,000, or \$.10 per share.

"We are pleased with our operating performance in 1997, as well as the Company's many other significant accomplishments which will contribute to and facilitate our growth in the future," stated Scott McClendon, Overland Data President and CEO. "Of all the independent library vendors, Overland Data was the market growth leader during the year for unit shipments of DLT*-based automated tape libraries. In the 14 months since introducing our DLT LibraryXpressT family of products, we have shipped over 2,000 units and have been the recipient of four major industry awards. We were the first company in the industry to ship a fully-scaleable DLT library and have also expanded the product family to include our desktop LXS mini-library. We have established OEM relationships for these products with numerous industry leaders, including our recently announced agreement with Siemens.

"We continue to see considerable growth in the demand for automated tape storage solutions," added McClendon, "and anticipate a favorable market environment for our products." Looking forward to fiscal year 1998, McClendon noted that established seasonal patterns suggest that the first quarter of 1998 is not likely to result in sequential growth over the fourth quarter of 1997. "Additionally, during the first quarter, we intend to capitalize on the continuing growth of the DLT market and to make significant investments in marketing and other programs in support of future product sales."

Overland Data is a technology leader in high-performance scaleable tape solutions for high-capacity backup, interchange, HSM and archival storage. The Company offers three complete technology choices: DLT, 18- and 36-track, and 9-track, designed for workstations, networks and midrange systems. Overland's award-winning products meet the needs of end users, distributors and OEMs in industries worldwide.

OVERLAND DATA, INC.

CONSOLIDATED STATEMENTS OF OPERATION

(In thousands, except per share data)

	<i>Three Months Ended</i>		<i>Fiscal Year Ended</i>	
	<i>June 30</i>		<i>June 30</i>	
	<i>(Unaudited)</i>			
	<i>1997</i>	<i>1996</i>	<i>1997</i>	<i>1996</i>
Net sales	\$16,509	\$13,018	\$59,146	\$47,226
Cost of goods sold	11,187	8,512	38,775	31,145
Gross profit	5,322	4,506	20,371	16,081

Operating expenses:

Sales and marketing	2,002	1,525	7,298	5,935
Research and development	1,037	931	4,125	3,697
General and administrative	1,274	765	4,212	2,908
Total expenses	4,313	3,221	15,635	12,540
Operating income	1,009	1,285	4,736	3,541
Interest income (expense), net	293	(55)	223	(154)
Other income (expense), net	75	8	28	26
Income before income taxes	1,377	1,238	4,987	3,413
Income taxes (a).....	442	(525)	1,887	254
Net income	\$ 935	\$ 1,763	\$ 3,100	\$ 3,159
Net income per share	\$ 0.08	\$ 0.22	\$ 0.34	\$ 0.40
Shares used in computing net income per share	11,023	7,974	9,222	7,857

(a) The income tax provision for the fourth quarter and the fiscal year ended June 30, 1996 includes a one-time tax valuation allowance adjustment which reduced income tax expense and correspondingly increased net income by \$997,000. Without this adjustment, net income for the quarter and year ended would have been \$766,000 (\$.10 per share) and \$2,162,000 (\$.28 per share), respectively.

Except for the factual statements made herein, the information contained in this press release consists of forward looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those contained in such statements. Factors that could cause or contribute to such differences include unexpected shortages of critical components, rescheduling or cancellation of customer orders, the timing and market acceptance of new product introductions by the Company and its competitors, and general competition and price pressures in the marketplace. Reference is also made to other factors set forth in the Company's filings with the Securities and Exchange Commission including the "Risk Factors", "Management's Discussion and Analysis" and other sections of the Company's Form 10-K for the most recently completed fiscal year.

* DLT is a claimed trademark of Quantum Corp. worldwide. All other products are trademarks or registered trademarks of their respective companies.