



Imation and Overland to Bring VR2 Technology to Travan NS Platform

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Travan Technology Gains Major Enhancements in Capacity and Performance for Network Storage Applications

Imation Corp. (NYSE:IMN) and Overland Data, Inc. (Nasdaq/NMS:OVRL) today announced jointly that Imation is incorporating Overland's patented Variable Rate Randomizer (VR2) technology into the next-generation Travan NS (Network Series) platform.

VR2 technology brings to Travan NS dramatic capacity and performance enhancements, and supports its future migration path. Under a joint agreement, Overland will sell the VR2 chip to Imation and its authorized manufacturing licensees of next-generation Travan NS drives. Specific terms of the agreement were not disclosed. According to Imation officials, additional information about the future product road map for the Travan NS platform will be announced at a later date.

Overland's VR2 technology is the first successful implementation of Partial Response Maximum Likelihood (PRML) channel encoding technology on linear tape drive platforms. Tests conducted at Overland on various tape platforms have shown that VR2 can increase the native capacity and native data transfer rate performance of existing linear tape technologies by as much as 1.5 to 2 times without requiring any changes in tape path design, recording heads, and/or media. This is accomplished by improving code rate efficiency to more than 99%. Code rate efficiency measures the number of user data bits written to tape versus the number of overhead bits. Due to the unprecedented efficiency of its high rate code, VR2 technology is one of the most efficient PRML implementations ever developed.

"The adoption of Overland's VR2 encoding technology provides another example of Imation's leadership in incorporating cutting-edge technologies into its data storage products," said Steve Carter, general manager, Imation Network Storage business. "This development extends the road map for future Travan NS products and allows for increased market growth potential in the fast-growing entry-level network storage segment. Travan NS technology is indicative of Imation's commitment to deliver a wide range of reliable, scalable and cost-effective solutions which meet the rigorous requirements of entry-level network environments."

"Imation's decision to utilize VR2 encoding technology both enhances the existing benefits offered by Travan NS technology and serves to bolster its continued success in the entry-level server storage market," said Scott McClendon, President and CEO of Overland. "This agreement immediately allows for the development of next-generation Travan NS products that offer a major competitive boost against helical recording formats. The advantages of VR2 technology will solidify and expand the market penetration of Travan NS technology."

Travan NS solutions already have gained acceptance for entry-level server applications with current capacities of up to 20 gigabytes per cartridge, and improved performance and reliability for about half the cost of similar-capacity helical scan tape drives. Several major server and workstation OEMs offer Travan NS8 and/or Travan NS20, including Acer, Fujitsu ICL, IBM, NCR, Silicon Graphics and Toshiba. More than 8 million drives based on Travan Technology have been shipped.

"This announcement marks the second major licensing agreement for VR2 technology, following Tandberg Data's adoption of VR2 for its line of Scalable Linear Recording (SLR) tape drives last year," said Steve Richardson, Vice President of Marketing at Overland. "With VR2 being incorporated into the Travan NS platform, we have moved towards our objective of establishing VR2 as the de-facto standard for linear channel recording technology."

Industry research indicates small server systems serving multiple users make up a large part of the corporate business market. Travan NS20 is an excellent price/performance storage solution for this large market segment. Leading Travan NS manufacturing partners and industry analysts agree:

-- According to Ernest Wassmann, President and CEO, Tecmar, "With more than a dozen of the major OEMs signed, Tecmar's Travan NS drive has a proven track record of performance and reliability.

We are experiencing a growing interest from the reseller channel in the Travan NS platform. This addition of VR2 technology to the Travan NS platform enhances the value proposition for our OEMs and reseller's and their customers."

-- Mike Newton, President of AIWA Digital Technology, said, "We are pleased with the decrease in time-to-market enabled by VR2

technology for next generation Travan NS. We feel that this will be the first of several exciting Travan NS products in what is a long-term road map and strategy for the technology."

- "Consumers in the entry level server market need a storage technology that can meet their backup requirements and budget constraints," said Fara Yale, Chief Analyst at Dataquest. "The low end server segment has consistently rewarded products that can deliver low total cost of ownership and continuous innovation."
- "The implementation of VR2 positions Travan NS very competitively as a low cost backup solution for the entry server market," said Bob Amatruda, Senior Analyst for Tape and Removable Storage at International Data Corp. "The development road map of Travan NS is clear with the VR2 enhancement; native capacity now has the capability to reach 30GB and beyond."
- Bob Abraham, Vice President of Freeman Associates, pointed out that, "in one sweeping gesture, VR2 technology neutralizes one of the advantages (PRML) enjoyed by helical scan tape and improves the competitive footing of Travan NS in market segments historically dominated by helical scan. It also creates a dramatic up-tick in the Travan NS road map."

About Imation Corp.

Based in Oakdale, Minn., Imation supplies a variety of products and services worldwide for the information and image management industry, specializing in imaging and data storage solutions. The Company is a world leading supplier of branded removable media across data storage segments, including data center, network and desktop and mobile environments.

In 1998, Imation reported revenues of approximately \$2.0 billion. As of December 31, 1998, the Company employed approximately 6,400 people worldwide. Additional information about Imation is available on the Company's Web site at www.imation.com or by calling Imation toll-free at 1-888-466-3456. To receive recent earnings and news releases, corporate information and related shareholder services for Imation, call Imation's toll-free shareholder information line at 1-888-IMN-NYSE (1-888-466-6973).

About Overland Data

Overland is a global supplier of storage automation solutions and related technologies designed to meet and surpass the critical requirements of high-availability network computing environments, from entry level to the enterprise.

The Company is a recognized leader in technology innovation for such achievements as the award-winning DLT LibraryXpress(TM) SmartScale Storage(TM) architecture that establishes new standards for intelligent automated storage and scalability. Overland has also earned a worldwide reputation for unmatched product quality and innovative warranty programs, such as the Guaranteed Up Time Service (GUTS(TM)) Program, that dramatically reduce the total cost of ownership. The Company's award-winning products meet the critical needs of end users, distributors and OEMs in industries worldwide.

Imation, Travan and Travan NS are trademarks of Imation Corp.

VR2 is a registered trademark of Overland Data. All other trademarks and registered trademarks are property of their respective owners.

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