



Overland Sells 9-Track Tape Product to Georgens Industries

October 4, 1999

SAN DIEGO--(BUSINESS WIRE)--Oct. 4, 1999--Overland Data Inc. (NASDAQ:OVRL), a technology leader in data storage and backup products, announced today that it has signed an agreement with Georgens Industries Inc., under which Georgens will acquire the Model 5622 tape drive product.

This 9-track IBM legacy drive, which was discontinued by Overland in June 1999, provides for data interchange between mainframes and PCs.

While specifics of the agreement between the two companies were not disclosed, the agreement gives Georgens full rights to manufacture, sell and service the 5622 tape drive, including all warranty and non-warranty repairs, in exchange for the payment of royalties to Overland.

Overland President and CEO Scott McClendon noted that there is still a viable market for this technology for customer legacy requirements, and Overland has chosen to sell this product to Georgens, which specializes in legacy systems and has a long and successful track record of customer support. McClendon also noted that Overland's success in data storage systems began with 9-track and the company is now focused on more advanced technologies such as DLTtape, which constitutes the majority of Overland's business and is deemed to be the high-growth segment of its business now and in the future.

Georgens has more than 20 years of experience in extending the product life of magnetic tape drives, an outstanding ability to engineer around parts obsolescence, and a proven track record for both product quality and dependability of service for such clients as Lucent Technologies, Xerox Corp. and Imation Corp.

McClendon and Georgens Industries CEO Dennis Nau both see this agreement as the beginning of a long-term relationship between the two companies, as both parties are committed to the long-term service and satisfaction of Overland customers, and the continued reliability and demand for these products.

About Overland

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(R) architecture (patent No. 5,285,333) that establishes new standards for intelligent automated storage and scalability, and the patented (No. 5,815,514) Variable Rate Randomizer (VR2) data encoding technology that can significantly increase the capacity and throughput of linear tape formats.

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.

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 and satisfaction with current prospects, as well as words such as "believe," "intends," "expects," "plans," "anticipates," and variations thereof, 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 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, loss of a major customer, the timing and market acceptance of new product introductions by the company and its competitors, general competition and price pressures in the marketplace, and the company's ability to control costs and expenses. 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. These forward-looking statements speak only as of the date of this release, and the company undertakes no obligation to publicly update any forward-looking statements to reflect new information, events or circumstances after the date of this release.