



## Overland Data Announces Settlement of Class Action Lawsuit

October 19, 1999

SAN DIEGO--(BUSINESS WIRE)--Oct. 19, 1999--Overland Data, Inc. (Nasdaq:OVRL) today reported that it had reached tentative settlement of the class action securities litigation currently pending against it in the U.S. District Court for the Southern District of California (Marucci v. Overland Data, Inc., et al.).

Plaintiff Edward Marucci filed the class action suit in 1997 on behalf of the Company's shareholders, alleging that the Company made misleading statements in its Prospectus for the Company's initial public offering. The Company and its Directors and Officers who were named as defendants had denied all liability and were prepared to defend against the claims at a jury trial. The tentative settlement is a compromise disposition of controverted claims, and no admissions have been made by either side of the litigation.

The parties have signed a Memorandum of Understanding to settle the entire dispute. Terms were not disclosed and the settlement is subject both to execution of a definitive settlement agreement and final approval by the court. The Company currently anticipates that the court will act to approve the settlement before the end of November, 1999, with a hearing on final approval likely to take place in early 2000. As a result of the settlement, the Company will incur a one-time pre-tax charge in its first fiscal quarter ended September 30, 1999 of approximately \$250,000, or slightly greater than \$.01 per share on an after-tax basis.

Scott McClendon, Overland President and CEO, stated: "We are pleased to be able to put this issue behind us and focus instead on managing our business and executing our strategic growth plans. We believe Overland is well-positioned in the growing data storage market with a broad range of product and technology offerings, and considerable opportunity to create shareholder value."

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 and product reliability. Its 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 press 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.