



Overland Demonstrates First Commercial Implementation of VR2 At Comdex

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Supercharged Next-Generation Tandberg Data SLR100 Tape Drive

and SLR Autoloader Featured

Overland Data Inc. (Nasdaq:OVRL), a technology leader in data storage and backup products, today announced the first implementation of its VR2 technology on a commercially available product.

The VR2 technology is being previewed on the Tandberg Data SLR100 at Comdex in Las Vegas. Also being shown is Overland's SLR100 autoloader.

Tandberg Data, with a well-earned reputation for innovative data protection solutions, was the first tape drive manufacturer to license Overland's VR2 technology. More recently, VR2 has also been licensed by Imation Corp. (NYSE:IMN) for use on Travan tape drives to be produced by authorized manufacturers and by Seagate Technology (NYSE:SEG) for inclusion into future Seagate tape drives.

According to Overland President and CEO Scott McClendon, "The implementation of VR2 by Tandberg Data, a company known for technology innovation, is an endorsement of Overland's ability to engineer and develop innovative new technologies. The VR2 implementation moves SLR from the entry-level to the mid-range server market, creating additional market opportunities for Overland and Tandberg Data."

According to Steve Richardson, Overland's Vice President of Marketing, "Tandberg's SLR100 drive demonstrates the excellent capabilities of our VR2 technology.

"The new SLR drive doubles the capacity and performance of Tandberg Data's SLR50, while maintaining backward compatibility and use of the same media at a price point that is extremely competitive. These impressive gains also carry over to the Overland SLR autoloader," he noted, "taking the unit's capacity up to 800 GB (see Note) and transfer rates as high as 36 GB/hour (see Note) -- an ideal automated solution for entry-level to mid-range applications."

"Tandberg Data is very excited about launching the SLR100 tape drive using VR2 technology and also that Overland Data is simultaneously announcing their launch of the SLR100 Autoloader. This milestone shows our ability and our commitment to satisfy the customer's continuous requirement for more cost-effective information storage solutions," said Bjorn Evensen, Corporate VP of Marketing, Tandberg Data.

Overland's Variable Rate Randomizer (VR2) advanced data encoding technology significantly increases the native capacity and native data transfer rate performance of existing linear tape technologies without requiring any changes in tape path design, recording heads and/or media. This is accomplished by achieving a rate efficiency of greater than 99 percent, making it one of the most efficient Partial Response Maximum Likelihood (PRML) implementations ever developed. VR2 can be implemented on any linear tape drive technology.

The SLR100 drive will also be shown at the Imation booth at the Convention Center. Tandberg Data will be showing the drive and autoloader at its suite at the Bellagio and Overland will be demonstrating both products at its suite at the Alexis Park Resort.

Overland's SLR100 autoloader will be available within 90 days. Pricing, to be announced at a later date, is expected to be extremely competitive against today's entry-level and mid-range tape autoloaders.

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.

Overland pioneered the scalable library concept with the introduction of the LibraryXpress, and the modular scalability of this innovative design has been embraced by more than 15,000 users worldwide, making the LibraryXpress not only the most versatile tape library platform available today, but also one of the most successful.

Overland's patented (No. 5,815,514) Variable Rate Randomizer (VR2) data encoding technology 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.

Note: Assuming 2:1 compression

Note to Editors: SLR is a trademark of Tandberg Data. DLT and DLTtape are trademarks of Quantum Corp.

Note to Editors: In the technology name VR² noted in this news release, the number 2 appears as a superscript. This symbol may not appear properly in some systems.