



## **Overland Enters Small Business Backup Market Through Joint Development Agreement With Tecmar for Next-Generation Travan Tape Drives**

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Travan Drives Supercharged by VR2

to Reduce Server Backup Time as Much as 50 Percent

Overland Data Inc. (Nasdaq:OVRL), a technology leader in data storage and backup products, and Longmont, Col.-based Tecmar Technologies, a leading provider of entry-level tape storage solutions for the network storage environment, announced that they have entered into a joint development agreement to design and manufacture high-performance Travan (a) and Travan NS (a) tape drives, which will incorporate Overland's VR2 technology.

These drives will conform to the specifications adopted by the Travan Manufacturers Association.

While specifics of the agreement were not disclosed, the companies noted that Overland and Tecmar will work closely together on the development of next-generation Travan tape drives for the small business/SOHO market and Travan NS tape drives for the fast-growing entry-level server market. Future Travan products resulting from this alliance will be manufactured and marketed by both companies.

Scott McClendon, Overland president and chief executive officer, stated, "With this joint development agreement, VR2 will be strategically applied to the low-cost tape drive market, laying the groundwork for the use of Travan drives in low-cost server backup products.

"In addition, by becoming a manufacturer of Travan drives, Overland will be able to control the cost of the drives that ultimately will be incorporated in an Overland automated solution competitively priced for the small business/SOHO market. These low-cost products will augment Overland's highly successful mid-range server backup products and open potentially significant new market opportunities for our company."

Tecmar and Overland are known for their engineering expertise. Overland has considerable experience as a tape drive manufacturer in its legacy 9-, 18- and 36-track products, as well as being a manufacturer of highly reliable storage automation products. The company is also recognized as an innovator for its Variable Rate Randomizer (VR2) technology that 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.

Tecmar Technologies, a leader in Travan technology, was first to market with features such as read-while-write data recording, soft-loading mechanisms and hardware compression capabilities that increase overall performance and enhance data integrity.

"Overland's VR2 is a natural fit for Travan drives," said Michael Peterson, president of Strategic Research. "This partnership will prove to be a significant boost for Travan drives and create a very competitive product for the low-cost server market."

According to Steve Richardson, vice president of marketing for Overland: "Entry-level servers are falling rapidly to the \$1,500 or less price-point. Until now, there has been no backup storage product that has met the price-performance specifications to properly address this market.

"Our new VR2-enhanced Travan tape drives will offer an ideal backup solution for small businesses, corporate remote sites or branch offices at larger companies who use entry-level servers. We are excited to partner with Tecmar in creating products that will enable end users in this market segment to cost-effectively manage their exploding data storage requirements."

"Tecmar has always been ahead of the curve in Travan technology," noted Joe Daiutolo, Tecmar president and chief executive officer. "The next-generation drives jointly developed with Overland promise a 50 percent reduction in backup and restore times while almost doubling the currently available storage capacity. Additionally, these new drives will maintain backward compatibility with previous Travan technology, allowing users to upgrade their drive performance without having to replace entire media banks."

### About Tecmar

Tecmar Technologies is a leading provider of high performance tape storage solutions for the desktop, workstation and entry-level networking storage environments. With headquarters in Longmont, Tecmar has sales offices in the United States and Europe. Tecmar markets its products worldwide through OEMs and computer system distributors and resellers.

### 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.

(a) A trademark or trade name of an entity other than Overland Data.

NOTE TO EDITORS: In the abbreviation for Variable Rate Randomizer (VR<sup>2</sup>), the numeral 2 should be a superscript. This numeral may not appear as a superscript in some systems.

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.

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