



## Overland Unveils Internet Strategy, Launches B2B E-Commerce Site

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First Independent Data Storage Company to Integrate  
the Internet Economy Into Channel Sales, Customer  
Sales & Support, Products, and Supply Chain

Overland Data Inc. (Nasdaq:OVRL), a technology leader in tape products, today unveiled a multi-faceted Internet strategy designed to accelerate top-line sales growth and improve margins.

The company simultaneously announced the successful April 1 launch of a comprehensive business-to-business (B2B) e-commerce site that leverages the power of the Internet to deliver end-to-end supply, service and sales functions via the Web to the company's resellers and customers worldwide.

Overland led the automated tape backup market onto the Internet last October with the launch of its Accessories online Web Store. The company's acquisition of Tecmar Technologies in February brought a full-featured Web store for Tecmar products to Overland. In March, the company moved Sales and Marketing tools onto the Web so resellers could get the tools they need when they need them. These enhancements to Overland's already well established Web site demonstrate the company's commitment to a long-term Internet strategy.

"Our customers expect industry-leading products and services from Overland," said Scott McClendon, President and CEO at Overland. "We were the first independent tape library manufacturer to offer tapes and accessories for sale to our channel partners and end-users over the Web and we intend to maintain that lead."

To develop and support the company's efforts in these next phases of e-commerce utilizing the Internet, McClendon has appointed John Cloyd the Director of Internet Programs for the company.

Cloyd is an IT veteran with over 18 years of experience ranging from Hewlett-Packard to software start-ups. In his new role at Overland, Cloyd will be responsible for overall Internet strategy creation and implementation.

"This is an exciting time for the tape backup industry," Cloyd said. "Demand for our products is exploding and our channel partners and end-user customers are excited about our plans for the Internet."

Overland began developing and implementing their e-commerce strategy over six months ago in consultation with channel partners in the United States and Europe, and with key customers.

Frank Kirchhoff, Vice President of Sales at Overland, said: "Our Internet programs are designed with our channel partners in mind. We intend to move leads to them rapidly, give them the sales tools they need, decrease the selling cycle, and lower costs during the support cycle. The Internet will be a key tool in these efforts."

The latest innovation from Overland is an easy-to-use, complete B2B e-commerce system encompassing online ordering, order tracking, inventory availability and other services for Overland resellers on a 24/7 basis. Fully integrated with the company's worldwide ERP system, resellers now have access in real-time to the information which enables them to rapidly and profitably service their customers. The system successfully went live at the beginning of April and has performed flawlessly ever since.

"We are encouraged by the rapid adoption of the system by our partners," said Cloyd. Our resellers have enthusiastically adopted the system, converting the vast majority of their Overland orders to the e-commerce system on the first day that it was made available to them."

Cloyd continued: "We evaluated a number of e-commerce systems, some of which would supply only limited functionality, such as only order status information to our customers. We have instead opted to implement a rich e-commerce system that is fully linked to our ERP system. Additionally, we optimized our internal processes around the Web interface. We implemented the system to provide what we call the 'touchless' order. Orders received over the Web won't be touched by an Overland employee until the shipping department puts the label on the box."

"The true power of the Internet is the ability to reduce the cost of business transactions, so we can reduce our customers' costs and our resellers can put extra profit in their pockets," said McClendon. "Overland is aggressively moving on several fronts to use the Internet to reconfigure the value chain and release economic value in new ways. Our goal is to set a new standard in the value chain by creating a set of products and services that offer compelling value to our customers and compelling profit opportunities to our channel partners through the Internet."

### About Overland

Overland Data Inc. (Nasdaq:OVRL) is a global supplier of innovative data storage and storage automation solutions for computer networks. The company's award-winning DLT LibraryXpress SmartScale Storage(R) architecture has set new standards for intelligent automated storage and scalability and established Overland as a leader in the mid-range tape storage market. Today, Overland is broadening its product line and technology

offerings to address additional segments of the storage market, including the entry-level small-business market, as well as the higher-end enterprise environment. Overland's patented Variable Rate Randomizer (VR2(TM)) data encoding technology, capable of substantially increasing the capacity and throughput of linear tape formats, is being applied by the company to Travan tape drives, and has been licensed to Seagate Technology, Tandberg Data and Imation Corp. Overland products, acclaimed for their quality and reliability, are sold worldwide through leading OEMs, including Compaq, IBM, Fujitsu Siemens Computers and Groupe Bull, commercial distributors such as Ingram Micro, Tech Data Corp. and Bell Microproducts, as well as storage integrators and value-added resellers.

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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