



Overland Wins Compaq OEM Business; Overland and Compaq Continue a Seven-Year Relationship

December 12, 2000

SAN DIEGO--(BUSINESS WIRE)--Dec. 12, 2000--Overland Data Inc. (Nasdaq:OVRL), a technology leader in tape backup products, today announced that it has once again been selected by Compaq Computer Corp. (NYSE:CPQ), a worldwide leader in storage solutions, as an OEM supplier for its mid-range tape library based on the reliable DLT8000 technology to support Compaq storage solutions.

Overland's DLT LibraryXpress(TM), the backbone for Compaq Storageworks TL891DLX tape library, is setting a new standard in expandable, modular DLTape libraries. It is available with either one or two 40/80 GB DLT tape drives and 10 cartridge slots, providing an automated native storage capacity of up to 400 GB.

The system can be scaled up to six modules for a maximum configuration of 2 TB native backup capacity (up to 4 TB compressed) and backup performance of up to 216 GB/hour (native), for a range of customized solutions to match specific storage needs.

According to Scott McClendon, Overland president and chief executive officer: "We value the continued, long-standing relationship with Compaq, a clear leader in the storage marketplace. The TL891DLX library product addition keeps Compaq squarely in the forefront of providing the 'best of breed' in mid-range automated tape technologies.

"Our relationship with Compaq has been a winning combination and we look forward to expanding it even further as new technologies emerge."

"The TL891 successfully addresses the backup requirements of Compaq customers in the corporate server space and the TL891DLX tape library enhances our offering for this segment with higher capacity and performance for Compaq customers," said Rusty Smith, director of Compaq's Data Products Group.

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(TM) SmartScale Storage(R) architecture has set the standard 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 its entry-level tape drive offerings. It has also been licensed to Imation Corp., Seagate Technology, StorageTek and Tandberg Data.

Overland products, acclaimed for their quality and reliability, are sold worldwide through leading OEMs, including Compaq, Fujitsu Siemens Computers, Groupe Bull, IBM and NCR commercial distributors such as Bell Microproducts, Ingram Micro and Tech Data Corp., as well as storage integrators and value-added resellers.

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.

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CONTACT: Overland Data Inc., San Diego

858/571-5555

<http://www.overlanddata.com>

Product Information:

Steve Richardson

srichardson@overlanddata.com

Investor Relations Information:

Scott McClendon

smcclendon@overlanddata.com

Vernon LoForti

vloforti@overlanddata.com

or

JPR Communications

Judy Smith, 818/386-0403

judys@jprcom.com

<http://www.jprcom.com>