



## Overland Renews Vendor Relationship With Compaq for Automated Tape Libraries

May 9, 2001

SAN DIEGO--(BUSINESS WIRE)--May 9, 2001--Overland Data Inc. (Nasdaq:OVRL), the leader in automated tape backup products, will continue to be Compaq Computer Corp.'s (NYSE:CPQ) OEM supplier for new generation mid-range automated tape libraries.

The new Compaq StorageWorks MSL5026SDLT tape library offers the highest storage density for a midrange tape library. True hot-plug SDLT drives and multi-unit modular scalability allow unprecedented flexibility and maximum investment protection.

"We are pleased that Compaq, a worldwide leader in both business- and enterprise-class storage solutions, has again selected Overland to provide advanced automated tape technologies," said Christopher Calisi, president and CEO of Overland. "The Compaq relationship is very significant for our company, as it extends the opportunity to provide Compaq customers with an even broader choice of highly reliable, flexible storage automation solutions and products."

The agreement to provide the next-generation library extends a seven-year relationship between automation leader Overland and Compaq, the largest supplier of computer systems in the world and a worldwide leader in storage solutions.

The Compaq StorageWorks MSL5026 Library establishes a new standard for high availability and reliability in tape library design and represents a significant advance in protecting mission-critical data.

It is available in tabletop and rackmount models, and is upgradeable to the future generation of SDLT enterprise tape drives. The hot-pluggable SDLT drive caddies allow drive replacement and the addition of drives for expansion without interrupting backup or restore functions.

Easy to use and reliable, the MSL5026 user interface features touch screen display and provides easy, intuitive control of the library, as well as access to the configuration parameters and detailed history and error log information.

The Compaq StorageWorks MSL5026 Library comes with 26 media slots and will support one or two Super DL Tape drives. It offers 5.72 TB (compressed) of storage capacity, providing the highest density and capacity in its class in a compact 5U form factor.

The MSL5026 Library is remarkably scalable -- users can expand capacity as needed by combining up to seven units in a rackmount configuration, providing an integrated library system that offers up to 40.02 TB (compressed) capacity. The MSL5026 is qualified with Windows NT and Windows 2000, NetWare, Tru64(TM) UNIX and Open VMS, and supported on all Compaq servers.

There's also easy operation, diagnostics, upgrade and management of the library via Compaq TSMC (Tape Storage Management Console) and Compaq Insight Manager.

"Compaq delivers advanced levels of protection for our customers' mission-critical data," said Rusty Smith, Director, Compaq Enterprise Nearline Storage Division. "Working with Overland gives us the opportunity to further expand Compaq's scalable automated storage products for our customers who demand high availability and an unprecedented uptime guarantee. Further, these products will be integrated into our award-winning Enterprise Backup Solutions and will be delivered to Compaq customers worldwide."

### About Overland

Overland Data 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 "believes," "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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