Overland's Fault-Tolerant LibraryXpress Neo Series Makes Its Debut With First Customer Shipment

May 10, 2001

SAN DIEGO--(BUSINESS WIRE)--May 10, 2001--Overland Data Inc. (Nasdaq:OVRL), a technology leader in automated high availability, extensible tape backup products, today announced its first customer shipment of the industry's leading fault-tolerant library, the LibraryXpress(TM) Neo(TM) Series.

The LibraryXpress Neo Series incorporates the third generation of Overland's expandable, modular robotics and is the first tape library to offer 99.999 percent uptime. Taking advantage of the increased performance and capacity of new "super drives," the Neo Series features redundant hot-swappable drives, power supplies, robotics and displays, thus eliminating any single point of failure and providing unprecedented uptime.

Kaufman & Canoles, a full-service business law firm with several Virginia offices, has received the first Neo Series library, which was sold by Overland's value-added partner, HorizonTek.

"Kaufman & Canoles came to us looking for an automated tape library solution that would provide extremely high data availability, and was so easy to operate that they could set it and forget it," said Don McNaughton, sales manager for HorizonTek. "They needed a storage system that could provide high data availability beyond anything in the market.

"Because of the critical nature of the data to be protected, and the need to allow for future performance and capacity increases, Overland's LibraryXpress Neo Series fit the bill perfectly. The Neo Series, with its revolutionary N+1 architecture, is an ideal solution."

"For users looking to adopt the best in enterprise-class tape automation, they can't go wrong with the Overland Neo Series," said Christopher Calisi, president and chief executive officer of Overland. "Overland has always led the market in providing bulletproof architectures with advanced robotics in its tape automation solutions.

"The Neo takes our products to a new enterprise level and clearly sets us apart from our competitors. The shipment of our Neo Series is the first step of many, that dramatically builds upon our installed base of more than 40,000 LibraryXpress units currently in use worldwide."

The extraordinary reliability of the Neo Series is a result of the modular N+1 architecture and redundant components that overcome the inherent vulnerabilities of conventional designs that are built around a single robotic arm, a single point of failure that can completely disable other libraries.

The LibraryXpress Neo Series' unique Distributed Robotic Architecture(TM) (DRA(TM)) is the third generation of Overland's expandable, flexible SmartScale Storage(R) robotics. It creates a revolutionary fault-tolerant tape automation solution, bringing high availability down to midrange servers.

In addition to its high-reliability features, the Neo is perfect for space-conscious system managers. Less than 10 inches high, the compact form factor Neo Series LXN 2000 module is available with mixed media format, including DLT(a) 8000, SuperDLT(a) and/or LTO(a) (Linear Tape Open) Ultrium(a) drives to provide the utmost in compatibility, capacity, performance and density. When configured with 16 drives, the Neo Series system is scalable from 1 TB to 24 TB native capacity and

- 21.6 GB/hour to 460.8 GB/hour native performance. The Neo Series features a unique Virtual Interface Architecture(TM) (VIA(TM)) option bay. Based upon the industry- standard Compact PCI bus, the VIA expansion slots allow for customized library capabilities. An optional Fibre Channel interface is available to connect Storage Area Networks and incorporates the support of LAN-free and server-free backup on all major backup software packages.

User-friendly library controls add to the ease of administration. The Neo Series features a touch-screen control panel, remote management, convenient cartridge magazines, a barcode reader and mail slot.

All Overland products are backed by the company's innovative warranty program guaranteeing 99 percent uptime performance and 100 percent data recovery -- the only guarantee of its kind in the industry. The Neo Series in high-availability configurations offers

- 99.999 percent uptime. List prices for the Neo Series starts at around $23,000. In unrelated news, Overland announced that Martin Gray will resign from his positions as vice president, chief technical officer and assistant secretary, effective June 30, 2001.

"We greatly appreciate the contributions that Marty has made to Overland, and we look forward to his continued participation as a board member and technical advisor to the company," said Calisi.

About HorizonTek

HorizonTek draws on two decades of experience in manufacturing, sales and support of high-tech products. With headquarters in Huntington, N.Y., the company specializes in serving the storage and backup requirements of the full spectrum of computer users and resellers. For more information, visit HorizonTek's Web site at www.horizontek.com.

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 midrange 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.

(a) DLTtape is a registered trademark of Quantum Corp. 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.

--30--slk/la* wam/la

CONTACT: Overland Data, San Diego

Christopher Calisi, 858/571-5555 (Investor Relations)

ccalisi@overlanddata.com

Vernon LoForti, 858/571-5555 (Investor Relations)

vloforti@overlanddata.com

Web site: http://www.overlanddata.com

or

JPR Communications, Encino, Calif.

Judy Smith, 818/386-0403

judys@jprcom.com

Web site: http://www.jprcom.com