



Overland Storage Upgrades Second Quarter 2003 Guidance

December 11, 2002

SAN DIEGO, Dec. 11 /PRNewswire-FirstCall/ -- Overland Storage, Inc. (Nasdaq: OVRL) today announced that revenues and earnings for its second fiscal quarter ending Dec. 31, 2002 are expected to reach or exceed the high end of the range provided in earlier guidance. Specifically, the Company now anticipates revenues of \$39 million or higher and earnings of \$0.04 per fully diluted share or higher, the upper ranges of earlier guidance. This revised outlook is based on strength in Overland's branded and OEM sales channels.

Christopher Calisi, president and CEO of Overland Storage, said, "Through this point of the quarter, sales to our OEM customers have been stronger than expected. Additionally, we have booked a number of significant wins in our branded sales channels and expect non-OEM revenues to reach record levels for our second fiscal quarter. We look forward to discussing our results and our outlook in our second quarter earnings call scheduled for Jan. 23."

About Overland Storage

Overland Storage, Inc. (Nasdaq: OVRL) is a leading global supplier of innovative hardware and software storage solutions for mid-range computer networks. The company's reputation for delivering high availability products, including its award-winning automated storage libraries and the industry's first family of fully open storage management software solutions, sets the standard for intelligent, automated and scalable storage. Overland sells its products worldwide through leading OEMs, commercial distributors, storage integrators and value-added resellers. For more information, visit Overland's Web site at www.overlandstorage.com.

CONTACT INFORMATION:

OVERLAND STORAGE INVESTOR RELATIONS:

Cynthia A. Bond, Director of Corporate Communications

cbond@overlandstorage.com

(858) 571-5555

MEDIA INQUIRIES:

Jamie Ernst

Brodeur Worldwide

jernst@brodeur.com

(310) 316-9335

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 or future 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 economic conditions and technology spending levels, unexpected shortages of critical components, rescheduling or cancellation of customer orders, loss of a major customer, the timing and market acceptance of any new hardware, software or other product introduction 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.

MAKE YOUR OPINION COUNT - Click Here <http://tbutton.prnewswire.com/prn/11690X56215535>

SOURCE Overland Storage, Inc.

/CONTACT: Investor Relations, Cynthia A. Bond, Director of Corporate Communications of Overland Storage, Inc., +1-858-571-5555, cbond@overlandstorage.com; or Media, Jamie Ernst of Brodeur Worldwide, +1-310-316-9335, jernst@brodeur.com, for Overland Storage, Inc./