

## STORServer Integrates Overland Neo Series Tape Libraries to Create New V Series Backup Appliance

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Collaboration Brings Overland's LTO, SDLT Technology to STORServer Product Suite

SAN DIEGO and COLORADO SPRINGS, Colo., Jan. 7 /PRNewswire-FirstCall/ -- Overland Storage, Inc. (Nasdaq: OVRL), a leading provider of storage solutions, and STORServer, Inc., a manufacturer of Backup Appliances, today announced the availability of the STORServer V Series, featuring Overland's Neo Series(TM) tape libraries. This new product brings LTO and SDLT technology to the STORServer suite of Backup Appliances and provides a truly integrated all-in-one solution including server, backup software and Overland tape library.

Environments with existing DLT or interest in LTO technology can benefit from STORServer V Series, replacing all of their backup solutions with one appliance built around Overland's Neo Series. The modular Neo Series fits within the STORServer appliance solution, allowing customers to grow and expand without forklift upgrades. The V Series installs in 15 minutes and requires less than 30 minutes a day to manage an enterprise backup, archive and disaster recovery solution.

"The Backup Appliance approach to data storage removes customer configuration and installation headaches and minimizes daily management time," said John Pearring, chief executive officer of STORServer. "In addition, the STORServer appliance solution matches in one package the reliability and cost-effectiveness of Overland libraries with IBM Tivoli Storage Manager backup software."

"As a market leader in the storage space, Overland is the right technology partner for STORServer's V Series appliance solution," said Robert Scroop, vice president and general manager of Overland's storage resource business unit. "Corporate data centers can have an easy way to purchase an integrated solution -- allowing customers to grow and expand their STORserver Backup Appliance without forklift upgrades and purchase only what their current backup requirements dictate."

Overland's enterprise libraries provide nonstop operation and expansion on demand, allowing customers to build as they grow, while protecting their original capital investment. The high availability configuration of the Neo Series, including Live Swap(TM) technology and redundant components such as power supplies, tape drives and Fibre Channel-to-SCSI bridges, greatly reduces unscheduled downtime and increases IT productivity. The Neo Series also can be easily upgraded in the field to install new drive technology, further extending long-term value to the customer. Overland also offers the largest tape density, terabyte per square foot, saving premium floor space in data centers for other IT products.

Unlike the industry's traditional definition of a backup appliance as a "disk-based RAID" solution, the STORServer Backup Appliance includes all the hardware, software and integration required to perform backup, archive and disaster recovery in one product. STORServer appliances back up any LAN, SAN and NAS-attached client that utilizes directly attached storage. The appliance supports 35 different platforms, including Windows NT/2000, Mac, Novell, HP/UX, SUN, AIX, OpenVMS and Linux.

## About STORServer, Inc.

A privately held corporation located in Colorado Springs, Colo., STORServer(R), Inc. is an employee-owned manufacturer of the award-winning STORServer Backup Appliance. The Backup Appliance is a LAN friendly, enterprise-wide product, which reduces install time to minutes and management to just minutes a day. Formed in 1995 from SSSI, STORServer is recognized as having the leading TSM consultants in the industry. STORServer(R) sells through a nationwide distribution of partners who have established themselves as the leaders in product and solution delivery. For more information on STORServer and its products, visit www.storserver.com .

## 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.

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. SOURCE Overland Storage, Inc.; STORServer, Inc.

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