



Overland Storage Introduces REO 1000, Industry's First Disk-based Alternative to Tape AutoLoaders

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Provides Affordable Disk-based Backup and Recovery for Small and Medium Businesses

SAN DIEGO, Jul 7, 2004 /PRNewswire-FirstCall via COMTEX/ -- Overland Storage, Inc. (Nasdaq: OVRL), the leading provider of backup and recovery solutions, today introduced the REO(TM) 1000, the industry's first disk-based alternative to entry-level (1u and 2u form-factor) tape autoloaders.

The newest addition to the rapidly growing REO family, the REO 1000 accelerates the backup process and provides high-speed file restores, delivering more cost-effective data protection than entry-level tape autoloaders. The product will be carried by leading direct marketers and distributors, and customer sales of the REO 1000 have already commenced.

According to Gartner Dataquest, the tape autoloader market is valued at over \$1.4 billion in revenue for the 2003-2006 forecast period. The REO 1000 allows Overland's direct marketers and distributors to capitalize on this opportunity with a feature-rich alternative to tape autoloaders, and provides end users a cost-effective solution designed to enhance the backup process, delivering significant backup capacity, high-speed file restores, and enhanced data availability and reliability.

"Regulation compliance and disaster recovery initiatives are two factors that are driving demand for efficient backup and recovery solutions among small and medium-sized businesses," said Steve Winandy, director of advanced technologies at CDW Corporation. "CDW offers these companies well-trained account managers and technical specialists to assist them in selecting innovative products, like the REO 1000, that can help them meet their objectives." CDW carries a full portfolio of Overland products geared for SMBs and branch offices.

"A recent research study of end-user storage needs conducted by Robert W. Baird & Co. indicates that the top concerns regarding secondary storage are decreasing backup windows, recovery time, reliability, cost and complexity," said Robert Scroop, vice president and general manager, Overland Storage. "REO 1000 addresses these concerns by accelerating the backup process, providing disk-speed restores and data redundancy -- all at an unbeatable price. In addition, the REO 1000 provides manageability, flexibility and reliability features not found in entry-level tape autoloaders, including virtualized storage elements, the ability to appear to backup servers and applications as either disk or tape, and RAID data protection."

"Small and medium businesses need an affordable, easy-to-use data protection solution that automates the backup and recovery process and reduces the risk of business interruptions," said Dianne McAdam, senior analyst and partner, Data Mobility Group. "The ability of the REO 1000 to be dynamically configured as disk, tape or both is unlike anything else on the market. In short, the REO 1000 offers flexible features for small and medium businesses at an affordable price."

REO 1000 Features and Benefits

- * 1TB native (2TB compressed) of data storage capacity provides unattended backup for small- and medium-sized business applications.
- * LTO-2 tape drive emulation capabilities mean easy integration into existing storage environments.
- * 1u form factor enables more efficient use of costly data center space.
- * Gigabit Ethernet (iSCSI) connectivity provides low-cost networking.
- * RAID data protection capabilities offer redundant data protection.
- * Virtualized storage targets allow users to customize the backup structure to meet their needs.
- * Widespread operating system and third-party software application support enables easy integration, including Windows, Solaris, BackupExec, ARCserve and more.

Pricing and Availability

The Overland Storage REO 1000 disk-based backup and recovery appliance is now available through select Overland partners at a starting MSRP of \$4,949.

About Overland Storage

For more than 20 years, Overland Storage has delivered world-class data protection solutions designed to ensure business continuity. Focused on backup and recovery, Overland's data protection solutions are designed for entry-level and midrange computing environments. These include the REO family of disk-based backup and recovery appliances and the award-winning NEO series of tape libraries. Overland sells its products worldwide through leading OEMs, commercial distributors, storage integrators and value-added resellers. For more information, visit Overland's website 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 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 difficulty of predicting sales to the company's major OEM customer, 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 new product introductions by the company, including the launch of the company's new REO products, its competitors or its licensees, the timing and amount of licensing royalties, general competition and price pressures in the marketplace, the company's ability to control costs and expenses and economic conditions. 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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