



## Overland Storage Marks One Year of Leadership in Disk-Based Backup and Recovery Market

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### Company Exceeds Product Shipment Goals With Third-Generation Appliance

SAN DIEGO, Jul 19, 2004 /PRNewswire-FirstCall via COMTEX/ -- Overland Storage, Inc. (Nasdaq: OVRL), the leading provider of midrange backup and recovery solutions, has reached the one-year mark in delivering industry-leading disk-based solutions. The company also announced that its flagship disk-based product, the REO(TM) 4000, has exceeded its shipment goals for the quarter ended June 30, 2004.

Since the acquisition of Okapi Software one year ago, Overland has successfully introduced the second generation of affordable, high-performance disk-based backup and recovery appliances. Combining high-capacity serial ATA disks with specialized hardware and software, the REO family is designed to optimize both backup and recovery. As a result, users can shorten backup windows while achieving near-instantaneous restores.

The REO family was one of the first products offering true iSCSI connectivity, which uses familiar and inexpensive Ethernet technology and components to deliver high speed and high performance at a fraction of the cost of Fibre Channel implementations. Simple, effective and easy to manage, iSCSI transports low latency SCSI blocks across IP networks. For added flexibility, the REO 4000 offers users the option of both Fibre Channel and iSCSI connectivity in a single box.

"ESG has surveyed hundreds of customers, and the large majority are embracing disk-based backup as a core part of their data centers. Overland Storage has an extremely affordable and flexible solution that supports both Fibre Channel and iSCSI connectivity, allowing customers to use it in either environment," said Tony Asaro, senior analyst, Enterprise Strategy Group. "Technology is important, but customer adoption is the true test. Overland stands out because of their aggressive growth with both end user implementations and channel adoption."

"An iSCSI storage device like the REO delivers cost-effective and powerful backup and recovery, essential for today's businesses," said John Matze, vice president and CTO, Overland Storage, and co-architect of the iSCSI specification. Matze, named to CRN magazine's "Top 25 Innovators" for his contributions to the storage industry, added that the REO is the ideal foundation for disk-to-disk and disk-to-disk-to-tape implementations.

"The REO family of disk-based products has been embraced by the channel, surpassing all our expectations," said Christopher Calisi, president and CEO, Overland Storage. "REO 4000, like our award-winning NEO Series(R) tape libraries, is a key component of Overland's strategy to deliver powerful, affordable and reliable data protection solutions that ensure business continuity."

#### 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](http://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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