



Overland Storage to Sell REO 1000 Through Insight

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Industry's First Disk-Based Alternative to Tape Autoloaders Provides Affordable Backup and Recovery for Small and Medium Businesses

SAN DIEGO, July 26 /PRNewswire-FirstCall/ -- Overland Storage, Inc. (Nasdaq: OVRL), the leading provider of backup and recovery solutions, today announced that Insight Direct, USA, a premier single source provider of IT products and services, has added the Overland Storage REO(TM) 1000 to its product line. The REO 1000, featuring iSCSI connectivity, is the first disk-based alternative to entry-level tape autoloaders.

"The need for affordable disk-based backup and recovery is growing, and it's no surprise that sales of the REO 1000 have already begun," said Gary Woods, vice president of product management, Insight. "The REO 1000 combines the benefits of a disk-based solution with the affordability of a tape autoloader, making it the ideal choice for our budget-sensitive customers."

"Insight and Overland are proud to continue their strategic partnership with this latest innovative disk-based backup product specially designed for the small- to medium-sized business market," said Christopher Calisi, president and CEO, Overland Storage. "REO 1000 enables Overland to continue to provide affordable, effective and reliable data protection solutions to customers of all sizes that need to ensure and protect their businesses."

The newest addition to the rapidly growing REO family, the REO 1000 accelerates the backup process and provides high-speed file restores using iSCSI to deliver more cost-effective data protection than entry-level tape autoloaders. Customer sales of the REO 1000 have begun, as small- and medium-sized businesses need an affordable, easy-to-use data protection solution that automates the backup and recovery process and reduces the risk of business interruptions.

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.

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 Insight and other direct marketers and distributors. For information please visit www.insight.com.

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.

All trademarks, trade names, service marks, and logos referenced herein belong to their respective companies.

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