



Overland Storage Introduces Regulation-Compliant Neo Series(R) Tape Libraries

October 11, 2004

First Widely Adopted Mid-Range Tape Automation Solutions to Address Regulatory Requirements

SAN DIEGO, Oct 11, 2004 /PRNewswire-FirstCall via COMTEX/ -- Overland Storage, Inc. (Nasdaq: OVRL), a leading provider of backup and recovery solutions, today announced that its flexible, award-winning robust line of automated tape libraries -- the NEO SERIES(R) -- now delivers the write-once-read-many (WORM) functionality needed to address today's stringent data retention regulations. By providing this capability in NEO SERIES libraries, Overland brings users the technology needed to ensure the integrity, security and availability of their compliance regulated data. WORM functionality is critical to meeting the data protection requirements of regulations such as the Health Insurance Portability and Accountability Act of 1996 (HIPAA), and the data retention requirements of the Securities and Exchange Commission (SEC) regulations and Sarbanes-Oxley Act of 2002 (SOX).

WORM capability is a standard feature in all NEO SERIES libraries utilizing SDLT600 tape drives. Unlike other WORM implementations, Overland's SDLT600 NEO implementation requires no specialized hardware or media cartridges for compliance-driven applications. Instead, the NEO SERIES can be repurposed by software, extending a user's return on investment and not penalizing users faced with compliance challenges. Additionally, the continued ease-of-use and implementation of NEO libraries creates further reductions in the cost of ownership -- all while meeting strict regulations.

"Our commitment remains focused on providing innovative solutions that help solve any and all storage challenges customers may encounter. Overland has nearly 25 years of experience delivering reliable, robust automated storage solutions to companies with unique and often critical requirements," said Robert Scroop, vice president and general manager of automation products for Overland. "Overland is now applying WORM capability within a cost-effective, proven automated solution that addresses the data protection requirements of companies facing regulatory compliance."

The NEO SERIES employs WORM tape drive technology from the tape drive division of Quantum Corporation (NYSE: DSS). Quantum's DLTIce provides an electronic key identifier on each tape that cannot be altered, rejecting overwrite and erase procedures. As a result, DLTIce ensures that data written to backup tapes cannot be rewritten or reformatted, meeting a core requirement of federal mandates faced by companies of all sizes and across all industries.

"Users can take comfort in knowing that each electronically marked WORM cartridge is a tamper-proof archived tape that meets the strict requirements of today's compliance mandates," added Steve Berens, senior director, product marketing & strategy, for Quantum Storage Devices Business Unit. "Applying multiple layers of security, DLTIce assures users have a compliance-ready solution for effective backup, recovery and archiving without sacrificing performance or value."

Overland Storage regulation compliances solutions, with a starting MSRP of \$16,398, are available now through Overland's network of worldwide reseller and distribution partners.

About Overland Storage

For almost 25 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 include the REO(TM) family of disk-based backup and recovery appliances and the award-winning NEO SERIES(R) 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 production problems, delays, unbudgeted expenses and inefficiencies that may result from the transition of manufacturing to Sanmina-SCI, 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 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.

SOURCE Overland Storage, Inc.

Investors, Cynthia A. Bond, Director of Corporate Communications, cbond@overlandstorage.com, +1-858-571-5555, or Media, Melinda Hutcheon, PR Manager, +1-858-495-4187, mhutcheon@overlandstorage.com, both of Overland Storage; or Jamie Ernst of Brodeur Worldwide, +1-210-495-5757, jernst@brodeur.com, for Overland Storage

