



Overland Storage Strengthens Leadership Position

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Analyst Reports Cite Overland Storage as Leader in Key Midrange Tape Automation Markets

SAN DIEGO, April 13 /PRNewswire-FirstCall/ -- Recent reports from IDC and Freeman Reports show continued market leadership for Overland Storage, Inc. (Nasdaq: OVRL) with its NEO SERIES(TM) automated tape libraries. IDC's EMEA Midrange Tape Automation Market report issued last month identifies Overland's NEO as Europe's most widely sold tape library in 2004. Issued this week, Freeman Reports' annual Tape Library Outlook recognizes Overland Storage as first or second in terms of unit volume for every major tape technology, including LTO1, LTO2, and SDLT. Overland's midrange tape leadership position is complemented by the success of its REO SERIES(TM) disk-based backup and recovery appliances, recently named the market leader by Enterprise Strategy Group.

"2004 was yet another successful year for Overland's award-winning backup and recovery solutions," said Christopher Calisi, president and chief executive officer, Overland Storage. "As these reports show, the NEO family continues to be one of the world's most trusted solutions for tape automation, while REO is the best-selling product in its class. The strong global adoption of REO and NEO make Overland Storage the clear leader in tape and disk-based backup."

"According to the new Tape Library Outlook 2005 report, Overland's NEO SERIES is consistently one of the best-selling tape automation solutions in the market," explained Robert C. Abraham, president, Freeman Reports. "Tape libraries continue to play a critical role in backup and recovery as consolidation forces massive amounts of data to libraries, disk-to-disk-to-tape strategies take hold, and compliance remains a concern internationally."

"The current trends of growing numbers of small servers in combination with increased awareness of the need for backup is operating in Overland's favor," added Robert Peyton, director of European Storage Research at IDC, speaking of Overland's midrange leadership in EMEA. "The high performance and value of small libraries makes the decision to share resources across multiple, small servers easier to justify."

To obtain Freeman Report's Tape Library Outlook 2005 report please visit <http://www.freemanreports.com/tlo.html>. IDC's EMEA Midrange Tape Automation Market can be obtained at <http://www.idc.com/getdoc.jsp?containerId=RP56L>.

More information on Overland's NEO SERIES tape libraries, REO SERIES disk-based backup and recovery appliances, or software PACs, ProtectionPAC and Multi-SitePAC, can be found at http://www2.overlandstorage.com/product_index.aspx.

About NEO SERIES

Overland's award-winning family of NEO libraries offer a variety of capacity, performance, feature and price points to meet users' data backup, recovery and archive needs. With up to 30 cartridges and two drives, the NEO 2000(TM) is the ideal product for small- to medium-sized organizations looking for high capacity at an affordable price. The NEO 4000(TM), with as many as 60 cartridges and four drives, provides additional capacity, performance and functionality for midrange environments. The NEO 8000(TM) delivers enterprise-class capabilities at a midrange price, offering up to 500 cartridges and 12 drives.

The NEO SERIES supports all major drive technologies, including SDLT/DLT, LTO-1, LTO-2 and, most recently, LTO-3. The combination of LTO-3 technology and Overland's scalable, flexible and reliable NEO SERIES provides customers with unmatched capacity and performance in the industry's most popular midrange tape libraries.

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(TM) 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 delays, unbudgeted expenses, inefficiencies and production problems that may result from the transition of manufacturing to Sanmina-SCI; difficulty of predicting sales to the company's major OEM customer; worldwide information technology spending levels; unexpected shortages of critical components; rescheduling or cancellation of customer orders; loss of a major customer; the market acceptance of the company's REO product line, the timing and market acceptance of new product introductions by the company, including the company's new software PACs, competitors or licensees of the company; 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 general 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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