



Latest Industry Analyst Report Confirms Overland's Leadership in the Storage Industry

April 29, 2003

SAN DIEGO, April 29, 2003 – Freeman Reports, a California-based research firm specializing in the computer storage industry, recently stated that Overland Storage (NASDAQ: OVRL) now leads the industry in shipments of DLT/SDLT libraries with 49 percent of all units sold in 2002. The 2003 Freeman Tape Library Outlook report also states that sales of LTO libraries from Overland increased more than three fold during the same period, making Overland the fastest growing provider of LTO tape automation solutions in the industry.

"Overland's overall revenue growth and market share gain during this economic environment is significant," said Robert Abraham, president of Freeman Reports. "Not only is Overland thriving in these difficult economic times, but it is showing leadership by its quick entry into the LTO market. These actions contribute to Overland's leadership position in the industry."

Overland's award-winning Neo Series™ tape libraries is considered to be the "best-of-breed" in the mid-range tape storage segment, based on its true modular, field scalability and highly fault-tolerant design.

In November 2002, Overland announced its collaboration with Hewlett-Packard to integrate LTO Generation 2 in the Neo Series, offering Neo customers the largest capacity and fastest performance tape drive available.

"The legacy we are building with our strong customer focus, superior product features, loyal resellers and ability to expand into new markets has solidified the leadership position of the company within the industry," said Christopher Calisi, president and CEO of Overland Storage. "This report is further evidence that Overland is poised to capture more market share in the coming year, emerging stronger and healthier than our competitors."

About Overland Storage

Overland Storage, Inc. (NASDAQ: OVRL) is a leading global supplier of innovative hardware and software storage solutions for mid-range computer networks. The company's reputation for delivering high availability products, including its award-winning automated storage libraries and the industry's first family of fully open storage management software solutions, sets the standard for intelligent, automated and scalable storage. Overland sells its products worldwide through leading OEMs, commercial distributors, storage integrators and value-added resellers. For more information, visit Overland's Web site at www.overlandstorage.com.

CONTACT INFORMATION:

OVERLAND STORAGE INVESTOR RELATIONS:
Cynthia A. Bond, Director of Corporate Communications
cbond@overlandstorage.com
(858) 571-5555

MEDIA INQUIRIES:
Jamie Ernst
Brodeur Worldwide
jernst@brodeur.com
(310) 316-9335

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 continuing transitional issues at 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 software 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.