



Dynamic Solutions International OEMs Overland Storage REO With Protection OS and NEO Tape Library

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Performance, Reliability and Flexibility Seen as Critical to Cutting Backup
Windows for Financial Institutions

SAN DIEGO, Oct. 17 /PRNewswire-FirstCall/ -- Overland Storage, Inc. (Nasdaq: OVRL) today announced that Dynamic Solutions International (DSI), a data processing and storage management solution provider for the Unisys and open-systems markets, has chosen to OEM the REO 4000(TM) and REO 9000(TM) disk-based backup and recovery appliances with Protection OS(TM) and the NEO 2000(TM) tape library. The selection of these Overland products followed extensive evaluations of competitive solutions and an accelerated certification period.

"Many of our customers are financial institutions struggling with backup window and remote backup issues. They turn to DSI for flexible solutions that ensure the highest performance, reliability and overall advantage," explained Chris Johnson, vice president of storage systems, DSI. "Overland Storage's REO and NEO provide the ideal platform that allows DSI to meet even the most demanding backup and recovery requirements of our customers."

DSI selected the high-performance REO 4000 with Protection OS and high-capacity REO 9000 with Protection OS to offer its customers fast backup and reliable recovery. Protection OS enables the REO to be configured as any combination of virtual tape libraries, virtual tape drives and/or disk volumes, providing maximum flexibility. Additionally, branch office backup can be automated with the REO, which reduces costly, cumbersome and unreliable manual processes for backing up, centralizing and managing remote data. Together, these capabilities are ideal for highly specialized and mission-critical environments, such as the numerous financial institutions DSI serves.

DSI also chose the NEO 2000 tape library as the foundation for its newly available Alpine L60 (ALPL60) Autoloader. With up to 30 cartridges and two drives, the NEO 2000 is the ideal product for organizations looking for high capacity at an affordable price. In addition, the NEO can be deployed with an Overland Storage REO SERIES(TM) appliance for a powerful disk-to-disk-to-tape solution.

"We are very pleased that DSI has recognized the unique capabilities and powerful features of Overland's REO and NEO products," said Christopher Calisi, president and chief executive officer, Overland Storage. "By OEMing these products, DSI is offering its customers the advanced data protection capabilities of the REO and NEO families, providing them with powerful new options for protecting their mission-critical data."

Overland Storage has seen continued market leadership with both the REO SERIES and NEO SERIES. Earlier this year, Enterprise Strategy Group named Overland the leader in disk-based backup and recovery systems, while Freeman Reports' 2005 annual Tape Library Outlook recognized Overland as first or second in terms of unit volume for every major tape technology, including LTO1, LTO2 and SDLT.

More information on Overland's REO SERIES; NEO SERIES; and Protection OS, REO's intelligent, embedded data protection software, can be found at www.overlandstorage.com.

About Dynamic Solutions International

For 32 years Dynamic Solutions International (www.dynamicsolutions.com) has supported the worldwide financial community with innovative storage solutions including virtual tape and solid state disk. DSI's storage experts are uniquely qualified to design and implement the right storage solution for clients large and small.

About Overland Storage

Now in its 25th year, Overland Storage is a market leader and innovative provider of simply protected storage solutions -- smart data protection appliances and software modules designed to work together, affordably, to ensure that information is automatically safe, readily available and always there. Overland's award-winning data protection solutions include the REO SERIES(TM) of disk-based backup and recovery appliances, and the NEO SERIES(TM) of tape libraries. Overland sells its products through leading OEMs, commercial distributors, storage integrators and value-added resellers. For more information, visit Overland's web site 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," "estimates," "expects," "projects," "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 risks and uncertainties associated with the company's acquisition of Zetta Systems, Inc., including possible integration difficulties and successful execution of the business plan; possible delays in new product introductions the new primary storage appliance to be based on the Zetta software, the company's next generation tape library platform and enhancements to its REO line; market acceptance of the company's new product offerings; the timing and market acceptance of new product introductions by competitors; the speed at which HP transitions from the products it currently buys from the company to its next-generation products to be purchased from another vendor; delays, unbudgeted expenses, inefficiencies and production problems; worldwide information technology spending levels; unexpected shortages of critical components; rescheduling or cancellation of customer orders; loss of a major customer; 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.

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