



VARBusiness Awards Overland Storage Five Stars for Third Consecutive Year in Annual Partner Program Guide

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Government Program Also Receives Five Stars in GovernmentVAR's First Rating

SAN DIEGO, March 21 /PRNewswire-FirstCall/ -- Overland Storage, Inc. (Nasdaq: OVRL) today announced that its channel partner program has earned the prestigious Five-Star rating from VARBusiness magazine. In compiling the 2006 Annual Partner Program Guide, VARBusiness editors rated over 400 companies based on channel programs, partner incentives and sales support. For the third consecutive year, Overland was awarded five stars -- the highest possible rating. Overland's government partner program was also awarded a Five-Star rating by GovernmentVAR in its inaugural Government Partner Program Guide.

"As a channel-only company, Overland Storage recognizes that our success is directly linked to that of our partners," said Christie Huff, vice president of worldwide marketing, Overland Storage. "That's why we continually strengthen and enhance our channel programs, partner training and sales incentives. Receiving this award for three consecutive years reflects our dedication to the channel, and our commitment to ensuring our partners' success."

An overview of Overland's Five-Star rating by VARBusiness editors is available at http://www.varbusiness.com/sections/apps/2006/ppg/ppg_details.html?c=152. The complete VARBusiness 2006 Annual Partner Program Guide, which also appears in the March 20, 2006 issue of the publication, is online at: <http://www.varbusiness.com/sections/main/2006ppg.html;jsessionid=QUBBA5UC5GJQ 2QSNDBOCKHSCJUMKJVN>.

Considered by many VARs and integrators to be one of the channel's most respected reference tools, the VARBusiness Partner Program Guide is issued annually to assist resellers in evaluating vendors and building new partnerships.

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 ULTAMUS SERIES(TM) of protected primary storage appliances; the REO SERIES(TM) of disk-based backup and recovery appliances; and the NEO SERIES(R) 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 related to the acquisition; possible delays in new product introductions and shipments by the company including the new ULTAMUS line and the new tape automation platform currently under development, including versions subject to the company's new OEM contracts; possible delays in enhancements to the company's 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 that may result from the transition of manufacturing to Sanmina-SCI; 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 currently on file with the SEC. These forward-looking statements speak only as of the date of this release and the company undertakes no obligation to update publicly any forward-looking statements to reflect new information, events or circumstances after the date of this release.

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