



Overland Storage Transforms Backup and Recovery with New ARCvault Family of Industry-Leading, High-Capacity Tape Automation Products

July 10, 2006

First models of new autoloaders and small tape libraries lower price and performance barriers, yielding 50 percent more capacity at industry's lowest

cost per gigabyte

SAN DIEGO, July 10 /PRNewswire-FirstCall/ -- Overland Storage, Inc. (Nasdaq: OVRL) today expanded its suite of industry-leading backup and recovery solutions with the introduction of the first two new members of the ARCvault family of entry-level tape automation solutions that maximize capacity while minimizing the use of costly rack space. The new ARCvault autoloaders and tape libraries deliver tape backup and archive capabilities to small- and mid-size IT environments that need to effortlessly protect large amounts of data -- at a new price point and the industry's lowest cost per gigabyte.

The first models in the ARCvault product suite are the ARCvault 12 autoloader and ARCvault 24 rack-optimized library, which offer the highest capacity for small business and mid-range backup, recovery and archive applications. The series provides up to 19.2 TB of storage -- 50 percent more capacity at up to 45 percent lower cost per gigabyte than competing tape automation products. The ARCvault family is designed to reduce complexities with simple installation and management while lowering overall total cost of ownership (TCO). The result of end-user focused investment in research and development, Overland's ARCvault family offers many leading features, including:

- Compact 2u form factor to maximize use of costly rack space
- Support for LTO-2 and LTO-3 tape drive technology
- Removable 12-cartridge magazine(s) for easy off-site storage
- Easy-to-use remote management for convenient control and troubleshooting
- Customer-replaceable components for easy, low-cost support
- Barcode support for enhanced media management
- 24-hour replacement policy

"Overland continues to set the standard for innovative, high-capacity tape automation solutions that are more compact, affordable and simple to operate," said Christopher Calisi, president and chief executive officer of Overland Storage. "With the first two members of our new ARCvault family, we're leveraging Overland's ongoing R&D focus to help companies of all sizes reduce overall data protection costs and complexities."

According to Billy Vaughn, IT operations manager of San Jacinto College, a community college in Harris County, Tex., the new ARCvault family is a high-capacity solution that provides an affordable extension to the college's existing backup and recovery network by delivering an extra measure of protection at its remote disaster recovery site. "Initially we planned to buy a standalone drive for restoring tapes at the DR site if needed," he explained. "ARCvault made much more sense because it gave us the opportunity to take advantage of tape automation while obtaining 12 times the capacity of a standalone drive -- at a similar price point."

ARCvault 12 delivers up to 9.6 TB of backup and archive capacity, while ARCvault 24 offers up to 19.2 TB. ARCvault 24 combines the capacity traditionally found in more expensive tape libraries with the affordability and simplicity of an autoloader. ARCvault 24 also features Overland's "mailslot" capability for easy access to individual cartridges as well as dual tape drive support (LTO-2 configuration). As capacity needs grow, ARCvault enables users to effortlessly upgrade to higher capacity, next-generation tape drives.

"In delivering ARCvault, Overland has taken a fresh look at the market," said Brian Garrett, industry analyst for the Enterprise Strategy Group. "The SMB market needs high capacity, cost-effective and easy-to-use tape automation for backup and archive of critical data. With solid features and competitive differentiators, ARCvault adeptly fulfills this need."

While many SMB users continue to implement tape-based backup, others are looking for the ability to have a more comprehensive data protection strategy that includes both disk and tape. However, limited budgets often force SMBs to choose between disk- and tape-based backup. Overland's ARCvault provides the affordability that lets IT managers protect their data with a tiered storage approach. Utilizing Overland's REO SERIES(TM) disk-based backup and ARCvault tape-based archive, a comprehensive disk-to-disk-to-tape data protection strategy becomes a reality for even the smallest businesses.

"CDW engineers design storage solutions not just to preserve and protect corporate data but to help customers use server, software and networking technologies to make their data easy to share and manage," said Andrew Loughlin, manager of CDW Corporation's storage specialist team, which features system engineers and technical experts trained on the leading products in the storage industry. "Particularly for data backup and business continuity, we believe Overland's ARCvault is an attractive option to help small and medium-sized businesses realize many enterprise-level benefits at an affordable price."

Availability and Pricing

ARCvault 12 and ARCvault 24 are now available from Overland partners worldwide for a starting MSRP of less than \$5,000.

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(R) of disk-based backup and recovery appliances; and the NEO SERIES(R) and ARCvault(TM) tape automation solutions. Overland sells its products through leading OEMs, commercial distributors, storage integrators and value-added resellers. For more information, visit Overland's web site at <http://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 and ARCvault lines, 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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