



Overland Storage Releases Accelerated Version of its Market Leading REO SERIES Virtual Tape Library Appliances

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New REO Protection OS Slashes Backup Windows
for Faster Disk-to-Disk-to-Tape (D2D2T) Backup and Recovery

SAN DIEGO, July 24 /PRNewswire-FirstCall/ -- Overland Storage, Inc. (Nasdaq: OVRL) today announced version 3.0 of its REO Protection OS(TM), the data protection software integrated with every REO SERIES(R) disk-based backup and recovery appliance. With this latest release, Overland delivers dramatic performance improvements to accommodate ever-shrinking backup windows while preserving initial REO hardware investments.

Protection OS is a storage operating system designed specifically for REO SERIES appliances, offering the flexibility to configure any combination of virtual tape libraries, virtual tape drives and/or disk volumes. With this latest REO software release, Overland optimized write performance to enable faster backups while the increase in read performance reduces the time required to perform critical copy- or clone-to-tape operations. Additionally, the embedded software boasts performance gains for single- and multi-streaming with both iSCSI and Fibre Channel host connectivity. Protection OS continues to deliver near-instantaneous restores of critical data to speed recovery operations.

"The explosive growth of storage capacity continues to cause havoc with ever-shrinking backup windows and recovery objectives," said Christopher Calisi, president and chief executive officer for Overland Storage. "With version 3.0, we have delivered simple yet powerful data protection software that can take our REO SERIES appliances to a new level of flexibility and performance."

In initial testing conducted on the REO(TM) 9000, the latest version of Protection OS accelerated backup speeds by up to 60 percent when compared to the previous version of the software. Performance gains were also realized during copy- or clone-to-tape operations, with a single Fibre Channel REO 9000 driving two LTO-3 tape drives concurrently writing in compressed mode at full-rated speed. More modest performance gains were documented for the REO 4000 and REO 1000, with improvements most evident in single stream backup and clone-to-tape operations.

With over 4,000 units and 13 petabytes of storage shipped, the REO SERIES with Protection OS remains the best-selling, purpose-built backup and recovery appliances. This latest version also supports a new Linux 2.6 kernel and redesigned I/O subsystem. Overland's v3.0 release is available to existing REO customers at no charge via download at <http://support.overlandstorage.com/jive/entry.jspa?externalID=5051&categoryID=54>.

Unlike other disk-based backup systems, only the REO SERIES utilizes Protection OS software to deliver a core set of volume and device virtualization, management and connectivity features. Protection OS enables REO appliances to be deployed into nearly any existing backup environment without changes to policies or procedures. An intuitive, browser-based graphical user interface (GUI) streamlines configuration, management and proactive monitoring.

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 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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