

OVERLAND STORAGE, INC.

NASDAQ: OVRL

Recent price:	\$21.71	Inside Ownership:	15%
52-week range:	\$13.36 to \$23.57	Institutional Ownership:	70%
Shares Outstanding:	13.5 million	Avg. Daily Trading Volume:	89,070
Market Capitalization:	\$292.8 million	Fiscal Year End:	June 30
1/23/04			

OVERLAND STORAGE, INC. is a global supplier of innovative data storage and storage automation solutions for computer networks. The company's reputation for delivering high availability products which set the standard for intelligent automated storage and scalability has established Overland as a leader in the mid-range tape automation market. Overland sells its products worldwide through leading OEMs, commercial distributors, storage integrators and value-added resellers.

Investment Highlights

- **Market Demand for Storage** – The research firm International Data Corporation predicts aggressive growth in the data storage market over the next three years. High-growth applications responsible for the explosion of digital data include the Internet, e-mail, graphics, voice and video, and data warehousing for businesses of every size. Some analysts believe that the current economic slowdown is creating pent-up storage demand.
- **Participation in High-Growth Segments** – Overland Storage concentrates on the mid-range segment of the \$3B tape automation market and is now the #1 market leader. Freeman Reports, a California-based research firm specializing in the computer storage industry, reported that Overland became the fastest-growing provider in the mid-range segment of LTO tape automation solutions and the leading provider of DLT/SDLT tape libraries.
- **Technology Leadership** – Achievements include award-winning DLT LibraryXpress SmartScale Storage architecture that established new standards for intelligent automated storage and scalability. Overland's patented Variable Rate Randomizer (VR²™) data encoding technology, which Overland licenses to tape drive manufacturers, significantly increases the capacity and throughput of linear tape formats.
- **Growth Strategy** – Overland aims to empower its customers to compete more effectively through world-class storage solutions that ensure business continuity. Its backup and recovery products now utilize tape automation, software management and/or disk-based solutions.

Recent Developments

- 01/22/2004 Overland Storage Posts Record Revenue and Net Income for Fiscal 2004 Second Quarter and First Six Months
- 01/21/2004 Overland Storage Ships NEO SERIES™ 8000 Tape Libraries
- 12/23/2003 Overland Storage to Present at Sixth Annual Needham Growth Conference
- 12/23/2003 Overland Storage to Present at RBC Capital Markets System Area Networks Conference
- 11/19/2003 Overland Storage Receives 2003 InfoWorld 100 Award
- 10/22/2003 Overland Storage Posts Strong First Quarter 2004 Results
- 09/22/2003 Overland CTO Honored as Industry Innovator by CRN Magazine
- 09/18/2003 Overland Storage Named One of San Diego's Fastest Growing Technology Companies in Deloitte & Touche Technology Fast 50 Program
- 09/10/2003 Overland Storage Debuts REO SERIES™ Backup and Recovery Appliance at Storage Decisions Conference

OVERLAND STORAGE, INC.
NASDAQ: OVRL

Balance Sheet – December 31, 2003

Assets	(\$000)	Liabilities and Equity	(\$000)
Cash and equivalents	\$59,022	Current liabilities	\$31,559
Accounts receivable, net	38,773	Long-term debt	–
Inventories	18,829	Other long-term liabilities	6,560
Other current assets	7,829	Shareholder's equity	103,258
Total current assets	124,453	Total liabilities & equity	\$141,377
Property, plant & equipment, net & other	16,924		
Total assets	\$141,377		

Revenue (\$000)

FYE June 30

	1Q	2Q	3Q	4Q	FY
2004	\$56,569	\$67,750			
2003	34,540	48,611	\$56,200	\$56,530	\$195,881
2002	39,972	45,615	42,839	34,954	163,380
2001	37,727	43,586	37,018	37,365	155,696
2000	22,845	27,469	34,354	38,311	122,979
1999	24,372	24,240	22,263	21,352	92,227

Net Income (\$000)

FYE June 30

	1Q	2Q	3Q	4Q	FY
2004	\$2,223	\$3,453			
2003	(557)	1,524	\$2,440	\$3,275	\$6,682
2002	1,050	1,967	2,102	(626)	4,493
2001	1,305	1,847	850	(1,508)	2,494
2000	39	609	1,161	258	2,067
1999	1,348	1,315	736	583	3,982

Net Income Per Share - diluted

FYE June 30

	1Q	2Q	3Q	4Q	FY
2004	\$0.16	\$0.24			
2003	(0.05)	0.13	\$0.20	\$0.25	\$0.54
2002	0.10	0.18	0.18	(0.06)	0.40
2001	0.12	0.17	0.08	(0.14)	0.23
2000	0.00	0.06	0.11	0.02	0.19
1999	0.12	0.12	0.07	0.05	0.37

Analyst Coverage

Robert W. Baird & Co. Inc.Daniel J. Renouard...414-765-3500	Needham & Company, Inc.Richard Kugele....617-457-0908
Robert W. Baird & Co. Inc.Laura A. Guimond....414-765-3500	Needham & Company, Inc.Glenn Hanus.....212-371-8300
B. Riley & Co.Wes Cummins.....310-966-1443	Merriman Curhan Ford & Co....Brion D. Tanous....310-377-1289
RBC Dain Rauscher Inc.Robert Montague.....901-744-5671	RBC Dain Rauscher Inc.Steve Denegri.....901-744-5670
RBC Dain Rauscher Inc.Tom Curlin901-744-5672	RBC Dain Rauscher Inc.Brian Freed.....901-744-5673
Susquehanna Financial Group...Kaushik Roy617-624-7300	

Market Makers

Archipelago Exchange (The)	National Stock Exchange	Morgan Stanley & Co., Inc.
Robert W. Baird & Co., Inc.	Citigroup Global Markets Inc.	Jefferies & Company, Inc.
Boston Stock Exchange	Oppenheimer & Co., Inc.	B-Trade Services LLC
Knight Securities L.P.	Goldman, Sachs & Co.	THE BRUT ECN, LLC
Alternate Display Facility	BrokerageAmerica Inc.	Susquehanna Capital Group
Schwab Capital Markets	Needham & Company, Inc.	JP Morgan Securities Inc

Contact Information

Overland Storage, Inc. • 4820 Overland Avenue, San Diego, CA 92123
Investor Relations Contact: Cynthia A. Bond, Director of Corporate Communications
Phone: 858-571-5555 • FAX: 858-503-4342
E-Mail: Investor@overlandstorage.com • Web Site: www.overlandstorage.com

Except for factual statements, the information contained 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 or future 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 economic conditions and 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 and its competitors, general competition and price pressures in the marketplace and the company's ability to control costs and expenses. 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 fact sheet and the company undertakes no obligation to publicly update any forward-looking statements to reflect new information, events or circumstances.