



FAQ: Acquisition of Snap Server

Why did you do this acquisition?

The acquisition of the Snap Server business will strategically allow Overland to broaden the scope of its product portfolio by allowing us to complete our end-to-end data protection offering with the inclusion of the NAS offering. We saw a void in the product offering – end users and our partners told us they needed NAS and replication solutions. This new line of business lies within a \$1.2 billion market, which according to IDC, is growing at least 15 percent year-over-year.

How will this acquisition uniquely position Overland ahead of its competition?

This acquisition will uniquely position Overland to provide a complete end-to-end data protection solution specifically for SMB and distributed enterprise customers. This is in sharp contrast to other vendors in this space who only provide one or two point products.

What SNAP products and technologies are included in the acquisition?

The Snap Servers providing NAS functionality – which includes Snap Server 650, Snap Server 520, Snap Server 410, Snap Server 210, and Snap Server 110 – are now part of the Overland product suite. Additionally, the Snap Server GuardianOS and the Snap EDR™ (Enterprise Data Replicator) become Overland technologies.

Note: The Snap Server 700-series will continue to be maintained by Adaptec, as it is a SAN solution.

What are the business transition plans?

There will be no change in any Snap Server business process for the first 30 days, after which Overland will take over handling of business processes. During the transition process, the Snap Server sales and fulfillment channels will experience no changes or disruptions. Snap Server products will be included on the September 29, 2008 Overland price list (start of FY09 Q2).

What kind of growth will you experience as a result of this transaction?

This acquisition immediately adds approximately \$18 million in annual revenue to our run rate, and provides us with the ability to leverage our existing sales force, marketing resources and infrastructure. The backup-to-disk market is an estimated \$2.1 billion per year. Snap Server, already the market leader in NAS units shipped, addresses the three fastest growing market segments across five product models, with 200,000+ units shipped, representing more than 27 PBs of storage.

Will there be any changes to the service and support for Snap Servers?

Snap Server customers will continue to receive the same level of outstanding service and support as the support model does not change. Overland is well recognized for our outstanding service and support programs. Our commitment to maintaining and improving existing levels of support are unwavering. For Snap Server customers, we pledge not only to maintain their current levels of service and support, but also to improve them – offering customers the best of both worlds.



What is the Snap Server roadmap?

With the SMB NAS market targeted to grow at least 15 percent year over year through 2011, Overland will continue to evolve Snap Server functionality. In addition to continued product enhancements, we will explore new market opportunities (e.g., video surveillance) with Snap Server where high performance, cost-effective and rock-solid file-based storage provides a sweet spot that no other storage device can address. We will also continue to enhance the interoperability between the NEO, REO, and Snap Server product lines.

Will there be any change in the current manufacturing process on the Overland Storage or Snap Server side?

There will be no change to the Overland manufacturing process. Snap Server products are currently sourced from contract manufacturers and distributed out of Singapore and Garden Grove, CA. During the transition period, Overland operations will be determining the most cost effective way to produce and distribute these products.

Which Snap Server employees did you get in this transaction and what positions do they fill?

The Snap Server team of approximately 50 people that are joining Overland's family includes sales, marketing, engineering, and support.

Will there be any restructuring in Overland due to this acquisition?

No. We welcome this new pool of talent that will surely help us grow and expand Overland's data protection business.

Will facilities be reduced?

Snap Server employees will continue working out of their existing office space in Milpitas, California and other locations, including EMEA.

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