SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF
THE SECURITIES EXCHANGE ACT OF 1934

FOR THE FISCAL YEAR ENDED JUNE 30, 2001

COMMISSION FILE NUMBER 0-13150

CONCURRENT COMPUTER CORPORATION
(Exact name of registrant as specified in its charter)

DELAWARE	04-2735766
(State of Incorporation)	(I.R.S. Employer Identification Number)

4375 RIVER GREEN PARKWAY, DULUTH, GEORGIA, 30096 (678) 258-4000
(Address and telephone number of principal executive offices)

SECURITIES REGISTERED PURSUANT TO SECTION 12(B) OF THE ACT:
None

SECURITIES REGISTERED PURSUANT TO SECTION 12(G) OF THE ACT:
Common Stock (par value $0.01 per share)
Preferred Stock Purchase Rights

Indicate by check mark whether Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No ___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [ ]

As of September 4, 2001, there were 60,780,770 shares of Common Stock outstanding. The aggregate market value of shares of such Common Stock (based upon the last sale price of $10.60 per share as reported for September 4, 2001 on the Nasdaq National Market) held by non-affiliates was approximately $628,323,000.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of Registrant's Proxy Statement to be used in connection with Registrant's 2001 Annual Meeting of Stockholders scheduled to be held on October 25, 2001 are incorporated by reference in Part III hereof.

PART I

ITEM 1. BUSINESS

OVERVIEW

Concurrent Computer Corporation ("Concurrent") is a leading provider of computer systems for both the emerging video-on-demand, or VOD, market through its Xstreme division and real-time applications through its Real-Time division. Concurrent provides VOD servers and related software, its VOD systems, primarily to residential cable television operators that have upgraded their networks to support interactive, digital services. Concurrent's real-time business provides high-performance, real-time computer systems used for simulations, data acquisition and industrial process control applications. Concurrent markets its real-time computer systems to U.S. government prime contractors, agencies of the U.S. government and commercial markets where the immediate capture and delivery of information is critical. Although almost all of Concurrent's revenues prior to fiscal 2000 were derived from its Real-Time division, Concurrent expects that substantially all of its future revenue growth will come from its Xstreme division, which began commercial sales in 1999.

Concurrent's VOD systems consist of digital video servers and related software that enable cable systems that have two-way capability to deliver VOD to subscribers served through digital set-top boxes. Concurrent has been selected to supply its VOD system for 18 domestic commercial launches and trials of VOD systems publicly announced by multiple system operators, or MSOs, including the first and largest system-wide commercial deployments at AOL Time Warner's Oceanic regional division in Oahu, Hawaii and its Tampa Bay regional division in Florida. All of the seven largest MSOs have begun deploying VOD services in one or more residential markets. Concurrent believes it is well positioned to be a provider of choice to these MSOs.

Initially, Concurrent focused its VOD business on the development of VOD systems designed to be compatible with Scientific-Atlanta, Inc. digital cable equipment. In October 1999, Concurrent acquired Vivid Technology, Inc. and obtained certain server technology compatible with Motorola, Inc. digital cable equipment. During the second half of calendar 2000, Concurrent introduced its MediaHawk Model 2000 VOD system, which is compatible with both Scientific-Atlanta and Motorola equipment.

Concurrent's primary VOD focus is on digitally equipped domestic cable system operators. Concurrent also intends to focus on VOD opportunities in the international cable, internet protocol (IP) and digital subscriber line, or DSL, markets and in both the domestic and international educational markets. Although delivery of VOD to the home over DSL and IP currently is not practical in the United States, Concurrent has several of these deployments in the international market.

A real-time computer system or software is one specially designed to acquire, process, store, and display large amounts of rapidly changing information in real-time - that is, with microsecond response as changes occur. Concurrent has over thirty years of experience in real-time systems, including specific expertise in systems, applications software, productivity tools, and networking. Its systems provide real-time applications for simulation, engine test, air traffic control, weather analysis, and mission critical data services such as financial market information.

Concurrent was incorporated in Delaware in 1981 under the name Massachusetts Computer Company.

Financial information about Concurrent's industry segments is included in Note 13 to the consolidated financial statements included herein.

THE VOD MARKET

VOD technology primarily addresses the home video entertainment market. Concurrent believes that emerging VOD technology will enable cable providers to generate incremental revenue from the large home entertainment markets, such as home video rentals, and traditional pay-per-view or near video-on-demand (NVOD), and personal video recorder technology by combining many of their best features and addressing their primary limitations.

- Home video rentals have the greatest number of title selections but are the most inconvenient home video entertainment option. Limitations of home video rental include frequently out-of-stock popular titles, lack of convenience due to rental pickup and return requirements and late fee penalties.

- Pay-per-view and NVOD are more convenient options than store rentals but have limited titles and viewing times and no interactive capabilities. Pay-per-view, or PPV, allows the user to order specific programs at fixed times. NVOD is basically PPV available at successive shorter intervals. Limitations of PPV and NVOD include a limited selection of titles available for viewing, restrictions on viewing times and no VCR functionality, such as play, rewind, fast-forward and pause.

- PPV/NVOD coupled with a personal video recorder has limited content and currently requires a significant up-front investment by the user. A personal video recorder is an additional set-top device that enables a user to have simultaneous program recording, content searching, and VCR functionality. Even when coupled with an NVOD or PPV service, a personal video recorder does not overcome certain limitations of PPV or NVOD, such as limited content availability. In addition, users currently are required to make a significant up-front expenditure to purchase the personal video recorder box.

Ongoing technological developments have laid the groundwork for digitally upgraded, two-way capable, cable television operators to deliver VOD services to their digitally enabled subscribers.

- Cable system digital upgrades. MSOs have been upgrading their networks to enable the delivery of digital content on an interactive basis. MSOs are upgrading traditional, one-way, low bandwidth, coaxial systems into two-way, high bandwidth, hybrid-fiber coaxial transmission systems. These new systems include additional fiber optic bandwidth capability and digital equipment at the system's headend and other locations in the network. These digitally upgraded systems are capable of carrying a larger quantity of signals at a faster rate. The two-way upgrade allows for the introduction of new services, including VOD.

- Digital set-top boxes. A variety of companies, including Motorola, Scientific-Atlanta, Pioneer and Sony, are introducing a new generation of digital television set-top boxes with processing power similar to a personal computer. These digital set-top boxes allow the cable provider to offer a greater selection of digital services, such as VOD, advanced program guides, and interactive electronic commerce to homes with access to two-way capable cable services.

- Content digitization. Digitization is the process by which entertainment content is converted from analog to digital format. Digital content is a sequence of tiny digital pieces, or "bits," which can be stored on disks and transmitted in the form of electronic signals. With the benefit of the latest digital compression technologies, digital content now requires even less storage space and more content can be simultaneously transmitted over the cable system, thus reducing the storage and transmission costs of delivering content to consumers. Many major movie studios, major television networks, premium channel providers, and other program and content creators are converting their most popular titles into a digital format.

In the near term, Concurrent expects domestic MSOs will comprise the majority of its VOD system customer base. Concurrent believes that VOD is one of the key strategic competitive initiatives for MSOs as it provides an opportunity to leverage recent investments in their digitally upgraded infrastructure.

Concurrent believes the VOD product provides MSOs with the ability to differentiate their service offering in an effort to reduce subscriber turnover and gain access to new revenue generating opportunities from subscribers, advertisers and electronic commerce initiatives.

THE REAL-TIME BUSINESS

Concurrent is a leading supplier of real-time computer systems that concurrently acquire, analyze, store, display, and control data to provide critical information within a predictable time as real world events occur. Compared to general purpose computer systems, these unique real-time capabilities are applicable to a wide range of application requirements, including higher performance processing, higher data throughput, predictable and repeatable response times, reliably meeting required deadlines, consistently handling peak loads, and better balancing of system resources.

Concurrent has over thirty years of real-time systems experience, including specific design, development, and manufacturing expertise in system architectures, system software, application software, productivity tools, and networking. Concurrent's real-time systems and software are currently used in host, client server, and distributed computing solutions, including software-controlled configurations to provide fault tolerance. Concurrent sells its systems worldwide through its direct sales offices, resellers, system integrators, and other global partners. End uses of Concurrent's systems include product design and testing, simulation and training systems, engine testing, range and telemetry systems, weather satellite data acquisition and forecasting, and intelligence data acquisition and analysis.

Concurrent designs, manufactures, sells and supports real-time standards-based open computer systems and proprietary computer systems. It offers worldwide hardware and software maintenance and support services ("Customer Service Plans") for its products and for the products of other computer and peripheral suppliers. The services are provided at no additional charge during the warranty period. Concurrent routinely offers and delivers long-term service and support of its products for as long as fifteen to twenty years under maintenance contracts for additional fees. Concurrent also has a long and successful history of customizing systems with both specialized hardware and software to meet unique customer requirements. Frequently in demand, these special support services ("Custom Engineering and Integration") have included system integration, performance and capacity analysis, and application migration.

BUSINESS STRATEGY

VOD BUSINESS

Concurrent's business objective is to become the leading provider of high quality VOD systems to domestic cable and international cable and DSL providers. Concurrent's VOD strategy is comprised of the following primary initiatives:

Gain Valuable Supplier Positions to Top Domestic MSOs. The market for providing VOD solutions to MSOs is rapidly evolving. By the end of calendar year 2001, Concurrent believes that each of the seven largest domestic MSOs will begin commercial distribution of residential VOD services. Concurrent has been selected to supply VOD systems for 18 of the publicly-announced commercial launches and trials of VOD systems, including the industry's first and largest system-wide commercial deployments located at AOL Time Warner's Oceanic regional division in Oahu, Hawaii and its Tampa Bay regional division in Florida. Concurrent's VOD sales team will continue to directly target these large MSOs. Concurrent believes that establishing strong relationships with these MSOs during the early stages of VOD service deployment will be important in developing and maintaining its share of the VOD market. Because of the rapid pace at which Concurrent expects MSOs to deploy VOD services and the difficulty in switching providers once a provider's offering has been integrated into an

MSO's systems, Concurrent believes that the initial selection by an MSO is critical to establishing market share.

Expand Operations Internationally. The rollout of residential VOD service internationally is expected to occur first over cable television systems and over DSL-based systems. Concurrent currently is focusing on building its relationships with companies seeking to provide VOD services over cable or DSL networks in Europe, Asia and Australia. Concurrent's international sales strategy is to focus on three key customer segments: cable companies; telephone companies; and alternative IP-based streaming media applications like hospitality, distance learning, education, and corporate training.

Maintain Technological Leadership Position in VOD Server Systems. Concurrent has developed its VOD technology through internal research and development, acquisitions and relationships with third-party technology providers. Concurrent intends to continue to focus on the development of future VOD technologies in order to maintain Concurrent's leadership position by creating higher stream density, new encryption techniques, personal video channel applications and product enhancements for international markets.

Identify and Pursue New Market Opportunities. Concurrent believes that its VOD technology can provide benefits to industries other than cable system providers. For instance, Concurrent believes the growth in intranet and distance learning provides a significant opportunity for deployment of VOD systems. Generally, Concurrent expects to address these additional markets through relationships with market-specific value added resellers, or VARs.

REAL-TIME BUSINESS

As the real-time computer market shifted in end-user demand to open systems, Concurrent developed a strategy to adjust its real-time service offerings to those more appropriate for open systems, while maintaining support for its proprietary systems. Concurrent's strategy also strikes a balance between appropriate upgrades for proprietary system offerings while predominantly investing in its real-time operating system and integrated computer system solutions. Concurrent introduced its PowerWorks Linux development environment (PLDE) based on the popular Linux open operating system at the RTS 2001 conference in Paris, France in March of 2001. The PLDE allows users on a Linux PC or workstation to develop applications for any Concurrent PowerPC-based real-time computer system. The PLDE offers a convenient and economical way to utilize the extensive features of Concurrent compilers and real-time GUI tools. Application programs are compiled, linked, debugged, scheduled, and analyzed on a Linux PC while the user application executes on any system running Concurrent's PowerMAX OS(TM) real-time UNIX(R) -based operating system.

With the new PLDE, users now have the choice of developing their PowerMAX OS real-time applications on a Concurrent system or on a Linux PC. Recent acceptance of Linux as an alternative to the UNIX and Windows NT(R) operating systems were dominant factors in Concurrent's decision to introduce PLDE.

COMMERCIAL LAUNCHES AND TRIALS

Concurrent has been selected by AOL Time Warner, Cox Communications and Comcast Cable, three of the seven largest MSOs, for commercial VOD system deployments. Each of these operators has deployed Concurrent's VOD systems for use with digital set-top boxes manufactured by Scientific-Atlanta and Motorola. Concurrent also has been selected by Cogeco Cable Inc., a Canadian cable operator, for two VOD deployments.

We believe we are a leading provider of video-on-demand systems based on the number of commercial deployments (18) using our systems and our relationships with three of the seven largest domestic cable operators. We also believe that the number of our video-on-demand servers currently in commercial use (approximately 205 servers) and the number of cable subscribers served by our systems make us a leader in the industry.

AOL TIME WARNER

Oahu, Hawaii. In June 1999, Concurrent began a trial of its VOD system for Oceanic Cable, a unit of AOL Time Warner based in Hawaii. This trial led to a full commercial launch of Concurrent's VOD system in February 2000 over Oceanic's system in Oahu. The VOD system purchased by Oceanic consists of 15 MediaHawk video servers, which currently support approximately 3,500 independent video streams reaching approximately 85,000 digital subscribers. Concurrent believes the Oceanic VOD system represents one of the first VOD commercial deployment in the world.

Tampa Bay Region of Florida. In September 1999, AOL Time Warner selected Concurrent's VOD system for a commercial launch in its Hillsborough County system in the Tampa Bay area and in March 2000, they also selected Concurrent's system for commercial launch in the Pinellas County system in the Tampa Bay area. The Tampa market for AOL Time Warner consists of an aggregate of

approximately 925,000 basic cable subscribers and approximately 250,000 digital subscribers. The VOD system deployed in Tampa Bay includes 51 MediaHawk video servers. The Tampa Bay commercial deployment currently represents the industry's largest VOD deployment.

South Carolina. In September 2000, AOL Time Warner selected Concurrent's VOD system for a commercial launch in its South Carolina systems consisting of 3 separate headends. These systems serve an aggregate of approximately 300,000 basic subscribers and 90,000 digital subscribers using 29 Concurrent MediaHawk video servers. AOL Time Warner recently became the first MSO to deploy subscription VOD (SVOD) with its SVOD trial in the Columbia, South Carolina system.

COX COMMUNICATIONS

In April 2000, Concurrent was selected by Cox for a commercial launch of Concurrent's VOD system in Cox's San Diego, California market. This market consists of approximately 355,000 basic subscribers, with approximately 73,000 digital subscribers. Cox began launching commercial service to approximately 2,000 subscribers in May 2001.

In June 2000, Concurrent was also selected by Cox to provide MediaHawk video servers for the commercial launch of VOD service in the Phoenix, Arizona market, the single largest division of Cox. This market consists of approximately 605,000 subscribers, with approximately 115,000 digital subscribers. Concurrent currently expects the commercial launch to occur near the end of 2001 or early 2002.

In April 2001, Concurrent was selected by Cox to provide MediaHawk video servers for the commercial launch of VOD service in Hampton Roads, Virginia, which has more than 400,000 basic subscribers and more than 50,000 digital subscribers. Concurrent understands that Cox currently expects to launch commercial service in this market near the end of 2001 or early 2002.

COMCAST CABLE CORPORATION

In March 2001, Concurrent signed a multi-year strategic purchase agreement with Comcast which resulted in purchase orders for its VOD system to be deployed in 8 system-wide launches of VOD on both Scientific-Atlanta and Motorola equipment. The initial order was for approximately 80 MediaHawk video servers. Concurrent began shipment of these systems in the quarter ended March 31, 2001. In August of 2001, Concurrent was also selected by Comcast for another system-wide deployment and has shipped 14 servers for this initial deployment during the first quarter of fiscal 2002.

COGECO CABLE INC.

In May 2001, Concurrent entered into an arrangement with Cogeco to provide VOD systems for its Ontario and Quebec cable systems. Cogeco serves approximately 1,000,000 basic subscribers and 105,000 digital subscribers. Cogeco and Concurrent are in the process of determining the appropriate configuration and the necessary number of servers and streams and expect the commercial launch of VOD to begin in late 2001 or early 2002.

VOD SOLUTION

Concurrent's VOD system allows MSOs to deliver VOD services over their high bandwidth two-way hybrid fiber coax cable infrastructure. Concurrent's VOD system is capable of being distributed over certain portions of this infrastructure, including the headend, hub or hubs, and digital set-top boxes in subscribers' homes.

- Headend. The headend is a cable system's main network operations center where the cable company receives incoming programming for distribution over its network. The components of Concurrent's VOD system typically located at the digitally-upgraded system operator's headend include a network manager, one or more video servers, back-office software suite and system management and maintenance software. In centralized applications, Concurrent's video servers are all located at the system headend.

- Hub. The hub typically is a smaller facility serving a limited number of homes, containing the system operator's network transmission equipment for video delivery and control. The components of Concurrent's VOD system typically located at the system operator's hubs include one or more additional video servers.

- Digital set-top box. The digital set-top box is located in the subscriber's home and is designed to receive transmissions from, and transmit data to, the system operator's network. Concurrent's client software is run by the digital set-top box.

When a subscriber selects a movie, a video stream is established between Concurrent's video server and the digital set-top box in the subscriber's home via the network manager. The selected movie is accessed from the video server where it is stored at either a headend or a hub. The purchase is recorded by Concurrent's back-office software creating a billing and royalty record for the cable provider.

PRODUCTS AND TECHNOLOGY

XSTREME DIVISION

Product. Concurrent's VOD systems integrate its core VOD technology, real-time and back-office software and readily-available commercial hardware platforms to provide interactive, VOD capabilities. Concurrent generally markets its VOD products to MSOs as an end-to-end VOD solution. Concurrent also markets the individual components of its VOD systems to VARs and systems integrators for inclusion in their VOD solutions. Concurrent's VOD systems include the MediaHawk video server, network manager, MediaHawk Broadband VOD BackOffice Business Management System, system management and maintenance software and client software. The components of Concurrent's system are described below:

- MediaHawk Model 2000 video server. Concurrent's MediaHawk video servers are high-performance computer systems designed for the demanding requirements of interactive video-on-demand applications. The MediaHawk video server includes multiple content storage devices, stream processors and input/output interfaces.

- Network manager. Concurrent's network manager or resource manager establishes the network connection that allows the video to be streamed to the home. The network manager is designed to route video streams in the most efficient manner available at any given time.

- MediaHawk Broadband VOD Back Office Business Management System. Concurrent's business management system is an industry standard rational database supporting subscriber and provider data management. Concurrent's back-office applications include customer access management, content distribution management, order management, royalty management, billing interfaces and marketing analysis.

- Client. Concurrent's client allows the subscriber to select the movie on demand and maintain complete interactive control. Therefore, the subscriber can pause, fast forward, rewind or stop the movie having the same control as if they were using a VCR.

- System management and maintenance software. Concurrent's system management and maintenance software is designed to detect failed components and re-route video streams bypassing the failed component. The monitoring software is also capable of providing system level status that notifies the cable operator that a maintenance activity is required.

Product Discriminators. Concurrent believes its key VOD system discriminators include:

- Multiple integration options. Concurrent's VOD systems have been designed to be compatible with a wide range of equipment and software employed by cable operators to deliver digital television service, including:

  - Various digital set-top boxes. Concurrent's VOD systems are compatible with digital set-top boxes manufactured by each of the major domestic digital set-top box producers, including Scientific-Atlanta, Motorola, Pioneer and Sony. This compatibility allows Concurrent's customers to purchase Concurrent's systems without concern about their current or future selection of set-top box producers. Furthermore, Concurrent's system is capable of accommodating multiple headends, source content, navigators and workstation platforms.

  - Existing and next-generation equipment. Although newer generations of digital set-top boxes have memory capability allowing subscribers to interact with and access VOD services, older digital set-top boxes may lack this capability. Concurrent's VOD technology allows Concurrent to handle this capability in the server rather than in the actual digital set-top box which overcomes the major obstacle in providing VOD capability through older generation digital set-top boxes. Thus, deployment of Concurrent's VOD system is not necessarily contingent on the upgrading of currently deployed digital set-top boxes.

  - Transport Topologies. Concurrent's VOD systems are compatible with numerous transport topologies supporting delivery of VOD services over Ethernet, asynchronous transfer mode ("ATM"), and 64 and 256 QAM.

  - Billing systems. Both the existing and the emerging billing systems currently employed by MSOs can be used with Concurrent's VOD systems.

- Support for both distributed and centralized architectures.

Concurrent's systems are designed to function equally well with distributed networks that minimize fiber optic bandwidth usage or centralized networks that support high-density populations that minimize facility requirements.

- Highly scalable systems. Concurrent's systems are modular and therefore easily scalable. Utilizing Concurrent's dual chassis, multiple cabinet designs, Concurrent's customers can scale both video storage and stream capacity in various increments to allow for significant flexibility.

- MediaHawk Broadband VOD Back Office Business Management System. In addition to content management, order management, provider account management, customer access management, marketing analysis and billing functions, Concurrent's back-office business management system also supports e-commerce applications and subscriber data collection which enhances the revenue-generation capabilities of the VOD service provider.

- Subscription VOD Technology. Concurrent's VOD systems are designed with subscription Video-On-Demand services, which are currently in the process of being trialed in four major markets with three different cable operators. These trials are on both Scientific-Atlanta and Motorola digital set-top systems and involve multiple SVOD programming providers. SVOD is a strong complementary service to VOD, enabling impulse viewing of premium network programming with VCR-like functionality including fast forward, pause, and rewind, and with simple flat fees. In addition to these advantages, SVOD also provides an opportunity for subscription programming providers, such as Starz-Encore, HBO, and Showtime, to build additional market share with this new value-added service. SVOD is not a service that can be offered by direct broadcast satellite and will provide the cable operators a strategic competitive advantage and build greater subscriber satisfaction and retention.

- Specialized video engine. Concurrent's video engine was designed specifically for the requirements of providing VOD services. As such, Concurrent's video engine is capable of creating high stream density accommodating increasing levels of demand, simultaneous usage and expanding library content.

- Fault tolerant system designs. Concurrent's VOD systems are designed with multiple layers of redundancy including fully redundant storage, power and cooling systems to provide seamless end-user viewing. Thus, system repairs can be made during delivery without any interruption to the end-user.

- Variable bit-rate technology. Concurrent's variable bit-rate technology minimizes storage and bandwidth while maximizing video fidelity. Concurrent believes that this technology will become a key technology discriminator as higher-fidelity requirements such as high-definition television emerge.

MediaHawk Model 2000 Product. Concurrent began shipments of its MediaHawk Model 2000 video server in September 2000. Through Concurrent's internal research and development efforts, the acquisition of Vivid Technology and its technological strategic relationships, Concurrent has integrated new technologies that Concurrent believes will further enhance the attractiveness of its VOD solution into Concurrent's new MediaHawk video server. Concurrent's MediaHawk Model 2000 VOD servers and software are designed to allow a single product to work in conjunction with cable equipment and digital set-top boxes produced by both Scientific-Atlanta and Motorola.

Customer Service Plans and Support. The basic customer service plans and support options offered to Concurrent's VOD customers include software patches to correct problems in existing software, 24-hour parts replacement, product service training classes, limited onsite services and preventative maintenance services. These services are provided at no additional charge during the warranty period and are available for additional fees under maintenance agreements after the warranty period. In addition to these basic service and support options, Concurrent also offers, for additional fees, software upgrades and onsite hardware maintenance services. To date, customer service and support revenues from Concurrent's VOD business have not been material.

REAL-TIME DIVISION

Concurrent's real-time systems are applicable to a wide range of application requirements, including high performance processing, high data throughput, predictable and repeatable response times, reliably meeting required deadlines, consistently handling peak loads, and better balancing of system resources. End uses of Concurrent's real-time systems include product design and testing, simulation and training systems, engine testing, range and telemetry systems, weather satellite data acquisition and forecasting, and intelligence data acquisition and analysis.

Products. Concurrent's Real-Time division designs, develops and manufactures real-time computer systems and services for mission-critical applications. The real-time computer systems are specially designed to acquire, process, store, and display large amounts of rapidly changing information in real-time with microsecond or millisecond response time. Concurrent's real-time products facilitate symmetric multiprocessing for a wide range of real-time applications including simulation, data acquisition and industrial process control systems.

- Simulation. Concurrent is a recognized leader in developing real-time systems for simulation applications. Primary applications include trainers/simulators for operators in commercial and military aviation, vehicle operation and power plants, mission planning and rehearsal and engineering design simulation for avionics and automotive labs. An additional segment of this market for Concurrent is Hardware-In-The-Loop applications in which accurate simulations are constructed to verify hardware designs, thereby minimizing or eliminating entirely the need for expensive prototypes. Concurrent offers software applications that provide a real-time advantage to its customers and integrates these applications to provide complete solutions.

- Data Acquisition. Concurrent is a leading supplier of systems for radar control, data fusion and weather analysis applications, all of which require the ability to gather, analyze, and display continuous flows of information from simultaneous sources. Primary applications include environmental analysis and display, range and telemetry and command and control.

- Industrial Process Control Systems. Concurrent manufactures systems to collect, control, analyze, and distribute test data from multiple high-speed sources for industrial automation systems, product test systems (particularly engine tests), supervisory control and data acquisition systems and instrumentation systems. Concurrent's strategy to serve this market involves the employment of third-party software applications to provide a unique solution for its customers.

Each of Concurrent's real-time products described below utilizes Concurrent's PowerMAX operating system which is designed to run real-time applications over a full range of systems. With the new PLDE, users now have the choice of developing their PowerMAX OS real-time applications on a Concurrent system or on a Linux PC. The three principal products sold by Concurrent's Real-Time division are:

- Power Hawk 700. Power Hawk 700 is Concurrent's highly scalable, advanced technology system capable of supporting data acquisition, simulation and industrial process control applications in environments ranging from entry level to highly complex. The Power Hawk 700 line is designed around the 7400 PowerPC processor, and is available in single, dual and quad CPU versions.

- Power Hawk 600. Power Hawk 600 is the predecessor to the Power Hawk 700 line and supports similar applications. The Power Hawk 600 series is designed around the PowerPC 604e processor, is available in single and dual board applications, and is most commonly purchased by customers expanding existing Power Hawk 600 installations.

- PowerMAXION. The PowerMAXION is Concurrent's mid-level system specifically targeted to the real-time data acquisition market, such as radar and weapons control in the military market. The PowerMAXION series is designed around the PowerPC 604e processor, and is available in one-to-eight board configurations.

- TurboHawk. The TurboHawk is Concurrent's highest performance system targeted to the real-time simulation and data acquisition markets.

Customer Service and Support Plans. Concurrent offers a variety of service and support programs to meet the customer's maintenance needs for both its hardware and software products. Concurrent also offers contract service for selected third party equipment. The service and support programs offered by Concurrent include rental exchanges, diagnostic and repair service, on-call and time and materials service, and preventive maintenance. Concurrent offers long-term service and support of its products for, in some cases, as long as fifteen to twenty years.

Custom Engineering and Integration Services. Throughout Concurrent's history, it has supported its customers through custom engineering and integration services. Concurrent provides custom engineering and integration services in the design of special hardware and software to help its customers with their specific applications. This may include custom modifications to Concurrent's products or integration of third party interfaces or devices into Concurrent's systems. Many customers use these services to migrate existing applications from earlier generations of Concurrent's or competitors' systems to Concurrent's state-of-the-art systems. These services also include classroom and on-site training, system and site performance analysis, and multiple vendor support planning. Although the total revenues associated with any single service may be small in comparison to total revenues, increased customer satisfaction is an integral part of Concurrent's business plan.

STRATEGIC RELATIONSHIPS

Scientific-Atlanta. In August 1998, Concurrent entered into an agreement with Scientific-Atlanta to jointly develop and market a VOD system. Under this agreement, Concurrent was able to receive early development releases from Scientific-Atlanta. In addition, the companies have jointly developed a system architecture that is compliant with the AOL Time Warner VOD architecture requirements ("Pegasus"). In exchange for Scientific-Atlanta's technical and marketing contributions, Concurrent issued Scientific-Atlanta warrants to purchase 2,000,000 shares of Concurrent's Common Stock, exercisable at $5 per share over a four-year term. In addition, Scientific-Atlanta may in certain circumstances have the right to receive additional warrants to purchase up to a maximum of 8,000,000 additional shares of Concurrent's Common Stock. The granting of these additional warrants will be based upon performance goals measured by the revenue Concurrent receives from sales of equipment to systems employing Scientific-Atlanta's equipment. To date, no additional warrants have been granted under this agreement.

The agreement with Scientific-Atlanta provides that each party will own the intellectual property that is created solely by its own employees as a part of the development process. Intellectual property that is developed by employees of both Scientific-Atlanta and Concurrent will be owned by Concurrent if the intellectual property represents an improvement upon Concurrent's products or will be owned by Scientific-Atlanta if the intellectual property represents an improvement upon Scientific-Atlanta's products.

Motorola. Concurrent and Motorola jointly developed a specific return path protocol that allowed VOD services to be provided via Motorola older-generation digital set-top boxes currently deployed by several MSOs. As a result of this relationship, Concurrent can offer a complete end-to-end VOD system compatible with the currently-deployed Motorola digital set-top boxes.

Prasara Technologies. Under a joint development agreement with Prasara Technologies, a software company specializing in delivery of on-demand information, Concurrent and Prasara jointly developed interactive and back-office VOD software specifically designed to meet the needs of MSOs. This software is integrated with Concurrent's MediaHawk video servers using cable equipment provided by Scientific-Atlanta or equipment compatible with Scientific-Atlanta. The joint development agreement with Prasara provides for Concurrent to have exclusive ownership of most of the software modules that make up the back-office software suite that accompanies the MediaHawk VOD server. Prasara has joint ownership with Concurrent of certain of the modules that make up the back-office software suite. Each of Concurrent and Prasara must pay royalties to the other for their respective sales of products containing any of these jointly-owned software modules.

Intertainer. Concurrent has worked with Intertainer, a VOD content provider seeking to market an end-to-end VOD solution, in integrating Concurrent's VOD server into Intertainer's turnkey solution.

Cisco Systems, Inc. Concurrent is a partner in the Cisco Service Provider Solutions Ecosystem Program which is designed to provide a vehicle for systematically bringing new technologies to the Service Provider Marketplace. The Cisco Service Provider Solutions Ecosystem brings together qualified developers of hardware and software applications that interoperate with Cisco product, vendors of complementary network enabling technologies, and deployment partners in order to best serve the mutual service providers. Some of the key benefits the Cisco Service Provider Solutions Ecosystem Program is intended to provide to partners include: long-term business level relationship with Cisco; increased Cisco commitment; enhanced market credibility based on Cisco relationship; marketing and sales development opportunities; improved operations efficiency; and new service/technology creation.

Liberate. On April 11, 2001, Concurrent announced a strategic alliance with Liberate Technologies, a leading provider of software for the delivery of interactive television, under which Concurrent combined its technologies into an integrated interactive TV and VOD offering for the growing digital video market. The strategic agreement was reached under the Liberate(R) PopTV(TM) Program, in which Concurrent is a "preferred infrastructure partner," and has the highest level of preference as a VOD supplier.

SALES

Concurrent sells its systems in key markets worldwide through its direct field sales and support offices, as well as through VARs and systems integrators. As of June 30, 2001, Concurrent had 85 employees in its sales and marketing force.

VOD

Concurrent's VOD sales strategy primarily focuses on developing relationships with domestic MSOs and international cable and DSL providers. Concurrent's domestic sales force has significant experience as either employees of, or service providers to, the largest domestic MSOs. Concurrent believes that it has been successful in leveraging the strength of that experience, as well as the strength of Concurrent's MediaHawk video server, into opportunities for initial commercial launches of Concurrent's VOD systems.

In Concurrent's non-broadband markets on both the domestic and international fronts, Concurrent also intends to continue working with VARs and systems integrators who are seeking to integrate Concurrent's VOD products into end-to-end or turnkey solutions sold into their target markets.

As of June 30, 2001, Concurrent employed 42 people worldwide as part of its Xstreme sales and marketing team.

REAL-TIME

Concurrent sells its real-time systems in key markets worldwide through direct field sales and support offices, as well as through VARs and systems integrators. As of June 30, 2001, Concurrent employed 43 people worldwide as part of its real-time sales and marketing team.

CUSTOMERS

VOD

A significant portion of Concurrent's VOD revenue has come from, and is expected to continue to come from, sales to the large MSOs. For the year ended June 30, 2001, three customers, Comcast, AOL Time Warner and Cox, accounted for 38%, 34% and 12% of total VOD revenue, respectively. Many MSOs are currently evaluating providers of VOD systems and making purchase decisions. Concurrent believes that the relationships forged between VOD system suppliers and MSOs over the next 12 to 18 months will be critical in determining the relative market shares of VOD system providers. If Concurrent is unsuccessful in establishing and maintaining these key relationships with MSOs, the VOD business will be adversely affected. Further, if Concurrent experiences problems in any of its VOD system trials or initial commercial launches, its ability to attract new MSO customers and sell additional products to existing customers will be materially adversely affected.

REAL-TIME

Concurrent currently derives a significant portion of its real-time revenue from a limited number of customers. As a result, the loss of, or reduced demand for products or related services from, any of Concurrent's major customers could adversely affect its business, financial condition and results of operations. In the fiscal year ended June 30, 2001, one customer, Hamilton-Sundstrand, a United Technologies company, accounted for approximately 12% of the total real-time revenue. No other customer accounted for more than 10% of real-time revenue for the period.

Concurrent derives a significant portion of its revenues from the supply of integrated computer systems to U.S. Government prime contractors and agencies of the U.S. Government. The supplied systems include configurations from the PowerMAXION, PowerHAWK, TurboHAWK and NightHAWK product lines, with certain systems incorporating custom enhancements requested by the customer. Examples of prime contractors to whom we sell these integrated computer systems include Boeing, Lockheed-Martin, and Raytheon. For example, Raytheon purchased integrated computer systems from Concurrent to be used by the Federal Aviation Administration for wind shear detection. Concurrent also supplies spare parts, upgrades, and engineering consulting services and both hardware and software maintenance. For the fiscal year ended June 30, 2001, Concurrent recorded $16.1 million in revenues to U.S. Government prime contractors and agencies of the U.S. Government, representing 22% of total sales for the period. Government business is subject to many risks, such as delays in funding, audits, reduction or modification of contracts or subcontracts, failure to exercise options, changes in government policies and the imposition of budgetary constraints. A loss of government contract revenues could have a material adverse effect on Concurrent's business, results of operations and financial condition.

Concurrent does not have written continuing purchase agreements with any of its customers and does not have written agreements that require customers to purchase fixed minimum quantities of Concurrent's products. Sales to specific

customers tend to, and are expected to continue to, vary from year-to-year, depending on such customers' budgets for capital expenditures and new product introductions.

NEW PRODUCT DEVELOPMENT

VOD

Concurrent's research and development strategies with respect to its VOD solutions will focus on higher stream density, encryption techniques, personal video channel technology and product enhancements for international markets.

Increased Stream Density. Concurrent believes it is one of only two providers of VOD systems currently employing fibre channel technology. Fibre channel provides the highest bandwidth/connectivity technology that is commercially available. Concurrent intends to continue leveraging techniques that allow this technology to create higher stream density and superior connectivity. Concurrent expects this will result in even more efficient distributed and centralized VOD system implementations.

Encryption Techniques. Encryption techniques will need to become integral to Concurrent's VOD system to maintain a high level of security designed to discourage content piracy and encourage content providers, such as movie studios, to provide market windows that will gradually become more consistent with the movie rental distribution channel. Concurrent plans to develop an open encryption system to support various encryption methodologies.

Personal Video Channel. Concurrent plans to add personal video channel (pVC(TM)), capability to its current residential cable VOD system. The personal video channel will allow the subscriber to record, pause and rewind live broadcasts effectively providing "TV on demand." Concurrent expects this server capability will have advantages over traditional personal home video recorders by providing more storage capacity and the ability to record multiple channels simultaneously.

International Markets. Concurrent's strategy is to leverage its domestic success and add capability to the existing VOD system that will enable it to market its VOD system to international cable and DSL providers. Enhancements will include network equipment integration, billing system integration, conditional access integration and set-top box integration. Specific integration tasks and partnerships will be opportunity driven as the international market develops.

REAL-TIME

Concurrent's real-time product development strategies with respect to its computer systems solutions will focus on higher-performance and cost-effective scalable architectures to allow for a greater degree of flexibility to the customer. New product development in real-time includes new hardware, software and integration services that will add new features and enhancements to the Power Hawk line of computers and the NightStar software development tools.

Higher performance Computer Systems. Concurrent has upgraded the Power Hawk computer line with the new Series 700 computer system. The Series 700's PowerPC utilizes Motorola's MPC7400 (G4) processor, the first microprocessor that can deliver sustained performance of over one billion floating point operations per second. The G4 can process data in 128-bit segments rather than the 32-bit or 64-bit segments of traditional processors. The G4's AltiVec vector instruction set performs 16 calculations in a single cycle providing IEEE floating point performance four times faster than non-vector processors.

Cost effective scalable cluster architectures. The dual and quad-CPU Series 700 processor boards are true symmetric multiprocessors that run a single copy of Concurrent's PowerMAX OS real-time operating system. All CPUs on a board are linked by a high-speed PowerPC processor bus and have direct, cache-coherent access to all of on-board main memory. Two or more Power Hawk Series 700 processor boards can be combined through the high speed P0/PCI bus to create closely-coupled multiprocessor configurations of up to 32 CPUs.

PowerWorks Linux Development Environment (PLDE). The PLDE allows users to develop applications for any Concurrent PowerPC-based real-time computer system on an Intel PC running the open source Linux operating system. Application programs are compiled and debugged directly on a Linux PC while targeted to a system running Concurrent's PowerMAX operating system, freeing production systems from the need to be involved in the development process. As Concurrent's real-time customers recognize the growing importance of Linux as a real-time solution resource, Concurrent plans to continue to enhance its operating system and tool set offerings to take full advantage of this development.

Power Hawk Series 700 software development tools supporting Linux open system solutions. Concurrent plans to provide its customers the opportunity to develop and debug complex multiprocessing applications utilizing Concurrent's integrated software environment while taking advantage of the Intel based Linux open source operating system. Users will have the option of developing their real-time applications under PowerMAX OS or Linux using the same comprehensive suite of NightStar GUI development tools. As our real-time customers recognize the growing importance of Linux as a key real-time operating system, Concurrent expects that there will be a large demand for Linux-ready applications that can meet the workload demands of today's real-time environment. As the Linux open source solution market demand develops, Concurrent plans to continue enhancing its software operating system and development environment to take full advantage of the broad range of software, hardware and integration opportunities available in the Linux marketplace.

COMPETITION

Both Concurrent's Xstreme and Real-Time divisions operate in highly-competitive environments, driven by rapid technological innovation. Due in part to the range of performance and applications capabilities of Concurrent's products, Concurrent competes in various markets against a number of companies.

The market for VOD systems is relatively new, highly competitive and rapidly evolving. Since there have been limited commercial deployments of VOD systems to date, the respective market shares of companies competing in the VOD market are uncertain. In the VOD market, Concurrent's major competitors currently include the following:

- in the domestic cable and international cable and DSL market: SeaChange International Inc., nCUBE and Diva Communications; and

- in the education market: Silicon Graphics, Inc., Cisco Systems, Inc. and International Business Machines Corp., as well as local systems integrators.

Concurrent also competes with a number of companies in its real-time business. Concurrent's major competitors can be categorized as follows:

- major computer companies that participate in the real-time business by layering specialized hardware and software on top of, or as an extension of, their general purpose product platforms, including Compaq Computer Corporation and Hewlett-Packard Corporation;

- other computer companies that provide solutions for applications that address specific characteristics of real-time, such as fault tolerance or high performance graphics, including Silicon Graphics, Inc. and Compaq Computer Corporation;

- general purpose computing companies that provide a platform on which third-party vendors add real-time capabilities, including International Business Machines Corp. and Sun Microsystems, Inc.; and

- single board computer companies that provide board-level processors that are typically integrated into a customer's computer system, including Force Computers, Inc. and Motorola, Inc.

Due to the rapidly evolving markets in which Concurrent competes, additional competitors with significant market presence and financial resources, including computer hardware and software companies, content providers and television equipment manufacturers, including digital set-top box manufacturers, may enter those markets, thereby further intensifying competition. Concurrent's future competitors also may include one or more of the parties with which it currently has a strategic relationship. Although Concurrent has proprietary rights with respect to much of the technology incorporated in Concurrent's VOD and real-time systems, Concurrent's strategic partners have not agreed to refrain from competing against Concurrent. Many of Concurrent's current and potential future competitors have longer operating histories, significantly greater financial, technical, marketing and other resources than Concurrent, and greater brand name recognition. In addition, many of Concurrent's competitors have well-established relationships with Concurrent's current and potential customers and have extensive knowledge of Concurrent's industries.

INTELLECTUAL PROPERTY

Concurrent relies on a combination of contracts and copyright, trademark and trade secret laws to establish and protect its proprietary rights in its technology. Concurrent distributes its products under software license agreements which grant customers perpetual licenses to Concurrent's products and which contain various provisions protecting its ownership and confidentiality of the licensed technology. The source code of Concurrent's products is protected as a trade secret and as an unpublished copyright work. In addition, in limited instances, Concurrent licenses its products under licenses that give licensees limited access to the source code of certain of Concurrent's products, particularly in connection with its strategic alliances.

Despite precautions taken by Concurrent, however, there can be no assurance that Concurrent's products or technology will not be copied or otherwise obtained and used without authorization. In addition, effective copyright and trade secret protection may be unavailable or limited in certain foreign countries. Concurrent believes that, due to the rapid pace of innovation within its industry, factors such as the technological and creative skills of Concurrent's personnel are more important to establishing and maintaining a technology leadership position within the industry than are the various legal protections for Concurrent's technology. Concurrent does not own any material patents and does not hold any copyrights or trademarks that are material to its business.

Concurrent has entered into licensing agreements with several third-party software developers and suppliers. Generally, such agreements grant Concurrent non-exclusive, worldwide licenses with respect to certain software provided as part of computers and systems marketed by Concurrent and terminate on varying dates.

GOVERNMENTAL REGULATION

Concurrent is subject to various international, U.S. federal, state and local laws affecting its business. Any finding that Concurrent has been or is in noncompliance with such laws could result in, among other things, governmental penalties. Further, changes in existing laws or new laws may adversely affect

Concurrent's business.

The television industry is subject to extensive regulation in the United States and other countries. Concurrent's VOD business is dependent upon the continued growth of the digital television industry in the United States and internationally. Television operators are subject to extensive government regulation by the Federal Communications Commission and other federal and state regulatory agencies. These regulations could have the effect of limiting capital expenditures by television operators and thus could have a material adverse effect on Concurrent's business, financial condition and results of operations. The enactment by federal, state or international governments of new laws or regulations could adversely affect Concurrent's cable operator customers, and thereby materially adversely affect Concurrent's business, financial condition and results of operations.

ENVIRONMENTAL MATTERS

Concurrent purchases, uses, and arranges for certified disposal of chemicals used in the manufacturing process at its Pompano Beach facility. As a result, Concurrent is subject to federal and state environmental protection and community right-to-know laws. Violations of such laws, in certain circumstances, can result in the imposition of substantial remediation costs and penalties. Concurrent believes it is in compliance with all material environmental laws and regulations.

EMPLOYEES

As of June 30, 2001, Concurrent had 412 employees worldwide. Approximately 313 of these employees were in the United States. Concurrent had 112 employees in its Xstreme division and 206 employees in its Real-Time division. The remaining employees include administrative, marketing and communications, and manufacturing personnel that are shared between the two divisions. Concurrent's employees are not unionized.

FINANCIAL INFORMATION ABOUT FOREIGN AND DOMESTIC OPERATIONS AND EXPORT SALES

A summary of net sales (consolidated net sales reflects sales to unaffiliated customers) attributable to Concurrent's foreign and domestic operations for the fiscal years ended June 30, 2001, 2000 and 1999, respectively, is presented at Note 18 to the consolidated financial statements included herein. Financial information about Concurrent's foreign operations is included in Note 18 to the consolidated financial statements included herein.

ITEM 2. PROPERTIES

Concurrent's principal facilities as of June 30, 2001, are listed below. All of the principal facilities are leased. Management considers all facilities listed below to be suitable for the purpose(s) for which they are used, including manufacturing, research and development, sales, marketing, service, and administration.

LOCATION	PRINCIPAL USE	EXPIRATION DATE OF LEASE	APPROX. FLOOR AREA (SQ. FEET)
4375 River Green Parkway Duluth, Georgia	Corporate Headquarters, Administration, Research & Development, Sales and Marketing	August 2006	33,000
2800 Gateway Drive Pompano Beach, Florida	Manufacturing and Service	December 2004	40,000

2881 Gateway Drive Pompano Beach, Florida	Administrative and Sales and Marketing	December 2004	30,000
2 Crescent Place Oceanport, New Jersey	Repair and Service Depot	May 2002	28,000
Concurrent House Railway Terrace Slough, Berkshire, England	Sales, Service and Research & Development	February 2003	10,000
100 Highpoint Drive Chalfont, PA 18914	Research & Development	July 2003	8,000

Except for the Chalfont, Pennsylvania facility, which is used exclusively for the Xstreme division, Concurrent's facilities are used for both divisions. In addition to the facilities listed above, Concurrent also leases space in various domestic and international industrial centers for use as sales and service offices and warehousing.

ITEM 3. LEGAL PROCEEDINGS

From time to time, Concurrent may be involved in litigation relating to claims arising out of its ordinary course of business. Concurrent is not presently involved in any material litigation.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM X. OFFICERS OF THE REGISTRANT

Officers of Concurrent are elected by the Board of Directors to hold office until their successors have been chosen and qualified or until earlier resignation or removal. Set forth below are the names, positions, and ages of Concurrent's executive officers as of September 4, 2001:

NAME	POSITION	AGE
Jack A. Bryant	President and Chief Executive Officer	43
Paul C. Meyer	President, Real-Time Division	54
Steven R. Norton	Executive Vice President, Chief Financial Officer and Secretary	40
Fred Allegrezza	Chief Technology Officer, Xstreme Division	43
Robert E. Chism	Vice President, Development, Xstreme Division	48
Robert T. Menzel	Vice President, Sales & Marketing, Real-Time Division	48
David Nicholas	Vice President, Worldwide Sales, Xstreme Division	47

Jack A. Bryant, President and Chief Executive Officer. Mr. Bryant has served as the President and Chief Executive Officer since October 2000. Mr. Bryant served as President of the Xstreme division from July 2000 to October 2000. Prior to joining Concurrent, he held a number of positions at Antec Corporation, a communications technology company that specializes in hybrid-fiber-coax-based networks, from 1991 to June 2000. The positions included, from March 1998 to June 2000, President of the Network Technologies Group, from January 1996 to March 1998, President of the Digital Systems Division, and from January 1995 to January 1996, Vice President of Marketing. Before joining Antec, Mr. Bryant held various product marketing and sales positions at General Instrument and Scientific-Atlanta.

Paul C. Meyer, President, Real-Time Division. Mr. Meyer has served as President of the Real-Time division since December 2000. Immediately prior to joining Concurrent, he was the President of ASM Associates, Inc., a consulting firm that provides interim senior management services. From 1994 to 1996, he served as the Executive Vice President and General Manager of Viacom New Media. From 1988 to 1994, he served as President of his own consulting firm, Paul C. Meyer & Associates, Ltd., leading a small team of professionals in consulting assignments involving turnaround, restructuring, and crisis management. Before forming his own firm, he served in various positions with Coleco Industries, Inc.

Steven R. Norton, Executive Vice President, Chief Financial Officer and Secretary. Mr. Norton has served as the Executive Vice President and Chief Financial Officer since October 1999. From March 1996 to April 1999, Mr. Norton was Vice President of Finance and Administration for LHS Group, Inc., a publicly held provider of services to communications services providers and Chief Financial Officer for one of its subsidiaries, LHS Communications Systems, Inc. Prior to his employment with LHS, he was an Audit Senior Manager for Ernst &Young and KPMG LLP.

Fred Allegrezza, Chief Technology Officer. Mr. Allegrezza served as the Vice President, Business Development from October 1999 to July 2001 when he was promoted to Chief Technology Officer for the Xstreme Division. Prior to joining Concurrent, from September 1996 to October 1999, Mr. Allegrezza was the President and CEO of Vivid Technology, Inc., a company that he founded in September 1996. Prior to founding Vivid Technology, Inc., from April 1995 to September 1996, Mr. Allegrezza worked with General Instrument as Engineering Program Manager and Systems Engineering Manager in the first digital interactive cable systems deployments. Prior to his work at General Instrument, from June 1990 to April 1995, Mr. Allegrezza worked as the Manager of Systems development and was responsible for development engineering and product marketing for Moore Products Company.

Robert E. Chism, Vice President, Development, Xstreme Division. Mr. Chism has served as Vice President, Development of the Xstreme division since April 1999. From June 1996 to April 1999, he served as the Vice President, Development. From October 1994 through June 1996, he served as Vice President, Technical and Production Operations of Harris Computer Systems Corporation. In June 1993, he joined the Harris Computer Systems Division of Harris Corporation as Director, Simulation Business Area. Before joining the Harris Computer Systems Division, he held diverse engineering, program management and marketing assignments in computer and related industries with General Electric Company, a diversified industrial corporation, and from May 1978 to June 1993 he was Subsection Manager of Satellite Command and Data Handling.

Robert T. Menzel, Vice President, Sales & Marketing, Real-Time Division. Mr. Menzel has served as Vice President, Sales & Marketing of the Real-Time division since April 1999. He served as the Vice President, real-time systems from June 1997 to March 1999, and the Vice President, North American Sales, from June 1996 to February 1997. From June 1996 to June 1997, he was the Vice President, Interactive Video-on-Demand. Mr. Menzel was Vice President, General Manager of the Trusted Systems Division of Harris Computer Systems Corporation from April 1995 to June 1996, and he served as Vice President, National Sales of Harris Computer Systems Corporation from October 1994 to April 1995.

David M. Nicholas, Vice President, Worldwide Sales, Xstreme Division. Mr. Nicholas has served as Vice President, Sales, of the Xstreme division since March 1999. From September 1995 to February 1999, he served as Executive Vice President of Pioneer New Media Technologies, Inc., a provider of audio video products. From August 1993 to August 1995, he served as Vice President and General Manager of Texscan Network Systems, a privately held provider of advertising insertion solutions. Prior to that time, he served in various positions at Pioneer Communications of America, Panasonic Industrial, and Magnavox.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The Common Stock is currently traded under the symbol "CCUR" on The Nasdaq National Market. The following table sets forth the high and low sale information for the Common Stock for the periods indicated, as reported by The Nasdaq National Market.

FISCAL YEAR 2001 QUARTER ENDED:	HIGH	LOW
September 30, 2000	$21.75	$10.19
December 31, 2000	$20.38	$ 3.88
March 31, 2001	$ 8.38	$ 3.88
June 30, 2001	$ 9.13	$ 4.77
FISCAL YEAR 2000 QUARTER ENDED:		
September 30, 1999	$ 8.53	$ 5.38
December 31, 1999	$19.44	$ 6.31
March 31, 2000	$27.25	$12.00
June 30, 2000	$13.25	$ 5.50

As of September 4, 2001, there were 60,780,770 shares of Common Stock outstanding, held of record by approximately 1,500 stockholders.

Concurrent has never declared or paid any cash dividends on its capital stock. Concurrent's present policy is to retain all available funds and any future earnings to finance the operation and expansion of its business, and no change in the policy is currently anticipated. In addition, the terms of Concurrent's credit facility prohibits the payment of cash dividends.

On July 31, 1992, the Board of Directors of Concurrent declared a dividend distribution of one Right for each outstanding share of Common Stock and then outstanding Convertible Preferred Stock of Concurrent to stockholders of record at the close of business on August 14, 1992. Each Right entitles the registered holder to purchase from Concurrent one one-hundredth of a share of Series A Participating Cumulative Preferred Stock, par value $.01 per share, at a cash purchase price of $30.00 per Right, subject to adjustment. The Rights become exercisable upon the occurrence of certain events (see Note 16 to the Consolidated Financial Statements.)

On July 19, 2001, Concurrent closed the sale of 5,400,000 shares of Common Stock to private investors at a price of $4.80 per share. Net proceeds to Concurrent, after fees and expenses, were approximately $24 million. Raymond James & Associates, Inc. acted as placement agent in the sale. The sale was a privately negotiated sale to selected institutional investors and other accredited investors. The shares were exempt from registration under the Securities Act of 1933 pursuant to Section 4(2) thereof and Rule 506 of Regulation D promulgated thereunder. Concurrent intends to use the proceeds for working capital, sales and marketing activities, product development and support, potential acquisitions and investments, capital expenditures and general corporate purposes. Concurrent subsequently registered the resale of all of the shares on a Form S-3 registration statement (no. 333-61172), filed on May 17, 2001 and declared effective on July 19, 2001.

ITEM 6. SELECTED FINANCIAL DATA

The following table sets forth selected historical consolidated financial data which has been derived from Concurrent's audited consolidated financial statements. The information set forth below is not necessarily indicative of the results of future operations and should be read in conjunction with, and is qualified by reference to, Concurrent's financial statements and related notes thereto included elsewhere herein and "Management's Discussion and Analysis of Financial Condition and Results of Operations."

SELECTED CONSOLIDATED FINANCIAL DATA
(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	YEAR ENDED JUNE 30,				
INCOME STATEMENT DATA	2001	2000	1999	1998	1997
Net sales	$72,821	$ 68,090	$ 69,963	$82,215	$108,367
Gross margin	33,020	31,743	35,337	40,390	51,211
Operating income (loss)	(5,591)	(23,987)(1)	(1,289)	3,311	9,239
Net income (loss)	(6,189)	(23,715)(1)	(1,665)	3,414	4,061
Net income (loss) per share - basic and diluted	$ (0.11)	$ (0.46)(1)	$ (0.03)	$ 0.07	$ 0.08

	AT JUNE 30,				
BALANCE SHEET DATA	2001	2000	1999	1998	1997
Cash, cash equivalents and short-term investments	$ 9,460	$ 10,082	$ 6,872	$ 5,733	$ 4,024
Working capital	14,824	15,383	14,694	13,652	4,694
Total assets	57,052	57,078	40,569	46,235	63,528
Long-term debt	-	-	-	-	4,493
Redeemable preferred stock	-	-	-	-	1,243
Stockholders' equity	33,283	38,271	26,011	25,510	18,120
Book value per share	$ 0.60	$ 0.71	$ 0.54	$ 0.54	$ 0.39

<FN>
(1) In October 1999, Concurrent acquired Vivid Technology. In connection with the acquisition, management placed a value of $14.0 million on in-process research and development based on valuation methods it deemed appropriate. This entire amount was written off as required by the purchase accounting rules.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with the financial statements and the notes thereto which appear elsewhere herein. The following discussion contains forward-looking statements that reflect Concurrent's plans, estimates and beliefs. Concurrent's actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below, elsewhere herein and in other filings made with the Securities and Exchange Commission.

OVERVIEW

In 1996, Concurrent acquired the real-time computer division of Harris Computer Systems Corporation, creating one of the largest real-time computer systems companies in the country. Over the past several years, the real-time computer processing industry has seen a significant shift in demand from high-priced, proprietary real-time systems to lower-priced, open server systems. High performance processing in the past required a large, expensive computer system with significant proprietary and customized software. Today these requirements are often met by much smaller and less expensive computers with off-the-shelf computer hardware and software. As a result, Concurrent's revenues from both real-time products and services have been declining. Real-time revenues consist of real-time computer system sales to domestic and foreign government agencies and commercial corporations and fees for maintenance and other services provided to Concurrent's real-time customers.

Concurrent now operates the business as two distinct divisions, the Xstreme division and the Real-Time division. Concurrent created the Xstreme division to capitalize on the increasing opportunities in the emerging digital television

services market and focus on the development and sale of digital VOD systems to cable providers that are upgrading their networks to support digital services. Concurrent believes that its future growth will come from the Xstreme division. VOD revenues result from the sale of VOD systems and related services primarily to cable television providers in North America. To date, revenues in the Xstreme division have been concentrated in a very limited number of MSOs and internationally in the non-residential market. Concurrent expects its revenues from the Xstreme division to increase as digital set-top boxes are increasingly deployed by cable operators in the United States and by cable and DSL providers in other countries. Concurrent has incurred, and expects to continue to incur, losses in the VOD business due to the ramp up of sales and marketing efforts and the initial investments in the VOD business.

In October 1999, Concurrent acquired one of its competitors, Vivid Technology, for 2,233,699 shares of Common Stock and options to purchase 378,983 shares of Common Stock. The acquisition resulted in a $14.0 million non-cash one-time charge for the write-off of in-process research and development related to acquired computer software technology. The acquisition was treated as a purchase for accounting purposes, and accordingly, the assets and liabilities acquired were recorded based on their fair values at the date of acquisition.

Video-on-demand and real-time system revenues are recognized based on the guidance in American Institute of Certified Public Accountants Statement of Position 97-2, Software Revenue Recognition. Concurrent recognizes revenue from video-on-demand and real-time systems when persuasive evidence of an arrangement exists, the system has been shipped, the fee is fixed or determinable and collectibility of the fee is probable. Under multiple element arrangements, Concurrent allocates revenue to the various elements based on vendor-specific objective evidence ("VSOE") of fair value. Concurrent's VSOE of fair value is determined based on the price charged when the same element is sold separately.

In certain instances, Concurrent's customers require significant customization of both the software and hardware products and, therefore, the revenues are recognized as long term contracts in conformity with Accounting Research Bulletin ("ARB") No. 45 "Long Term Construction Type Contracts", Statement of Position ("SOP") 81-1 "Accounting for Performance of Construction-Type and Certain Production-Type Contracts" and SOP 97-2 "Software Revenue Recognition". For long-term contracts, revenue is recognized using the percentage-of-completion method of accounting based on costs incurred on the project compared to the total costs expected to be incurred through completion.

Concurrent recognizes revenue from customer service plans ratably over the term of each plan, typically one year.

Custom engineering and integration services performed by the Real-Time Division are typically completed within 90 days from receipt of an order. Revenues from these services are recognized upon completion and delivery of the software solution to the customer.

Cost of sales consists of the cost of the computer systems sold, including labor, material, overhead and third party product costs. Cost of sales also includes the salaries, benefits and other costs of the maintenance, service and help desk personnel associated with product installation and support activities.

Sales and marketing expenses consist primarily of the salaries, benefits and travel expenses of Concurrent employees responsible for acquiring new business and maintaining existing customer relationships, as well as marketing expenses related to trade publications, advertisements and trade shows. Management expects these expenses to increase as Concurrent continues to expand its VOD business and attract new customers.

Research and development expenses are comprised of salaries and benefits of Concurrent employees involved in hardware and software product and enhancement development. All development costs are expensed as incurred. Management expects to increase the development staff to investigate and develop follow-on VOD offerings, including next generation products, as well as new software applications.

General and administrative expenses consist primarily of salaries and benefits of management and administrative personnel, general office administration expenses such as rent and occupancy costs, telephone expenses and fees for legal, accounting and other professional services. Management anticipates that administrative costs will increase as Concurrent expands its VOD business.

SELECTED OPERATING DATA AS A PERCENTAGE OF NET SALES

Concurrent considers its computer systems and service business (including maintenance, support and training) to be one class of products which accounted for the percentages of net sales set forth below. The following table sets forth selected operating data as a percentage of net sales for certain items in Concurrent's consolidated statements of operations for the periods indicated.

	YEAR ENDED JUNE 30,		
	2001	2000	1999
Revenues:			
Product sales			
Real-time systems	35.3%	39.8%	43.4%
Video-on-demand systems	32.7	17.6	1.7
Total product sales	68.0	57.4	45.1
Service and other	32.0	42.6	54.9
Total net sales	100.0	100.0	100.0
Cost of sales (% of respective sales category)			
Real-time and video-on-demand systems	54.9	51.5	47.5
Service and other	54.2	56.0	51.2
Total cost of sales	54.7	53.4	49.5
Gross margin	45.3	46.6	50.5
Operating expenses:			
Sales and marketing	22.1	29.8	27.5
Research and development	15.9	14.4	14.4
General and administrative	15.0	13.6	9.8
Cost of purchased in-process research and development	-	20.6	-
Relocation and restructuring	-	3.5	-
Loss on facility held for sale	-	-	0.6
Total operating expenses	53.0	81.8	52.3
Operating loss	(7.7)	(35.2)	(1.8)
Interest expense	(0.3)	(0.2)	(0.4)
Interest income	0.4	0.5	0.4
Other non-recurring items	-	1.1	(0.1)
Other income (expense) - net	(0.1)	(0.1)	0.1
Loss before provision for income taxes	(7.7)	(33.9)	(1.8)
Provision for income taxes	0.8	0.9	0.6

Net loss	(8.5)%	(34.8)%	(2.4)%
	======	=======	======

RESULTS OF OPERATIONS

FISCAL YEAR 2001 IN COMPARISON TO FISCAL YEAR 2000

Product Sales. Total product sales for fiscal year 2001 were $49.6 million, an increase of $10.5 million or 26.8% from fiscal year 2000. The increase is the result of the increase in sales of VOD systems to $23.8 million in fiscal year 2001 from $12.0 million in fiscal year 2000, primarily due to sales of VOD systems in fiscal year 2001 to domestic cable operators including Comcast Cable, AOL Time Warner and Cox Communications. Partially offsetting the increase is the continued decline in sales of real-time computer systems.

Service and Other Sales. Service revenues decreased 19.8% to $23.3 million in fiscal year 2001 from $29.0 million in fiscal year 2000. The decline resulted from customers switching from proprietary real-time systems to Concurrent's open systems which are less expensive to maintain, and the cancellation of other proprietary computer maintenance contracts as the machines are removed from service.

Gross Margin. Gross margin increased by $1.3 million to $33.0 million in fiscal year 2001 as compared to $31.7 million in fiscal year 2000. The gross margin as a percentage of sales decreased to 45.3% in fiscal year 2001 from 46.6% in fiscal year 2000 due primarily to the lower margin realized from a large real-time customer contract which required integration of third-party equipment and service and support resources at lower gross margins to capture the business.

Sales and Marketing. Sales and marketing expenses decreased as a percentage of total sales to 22.1% in fiscal year 2001 from 29.8% in fiscal year 2000. These expenses decreased 20.7% to $16.1 million in fiscal year 2001 from $20.3 million in fiscal year 2000. The decrease is primarily the result of deliberate, worldwide cost reduction efforts in the Real-Time division of $3.9 million.

Research and Development. Research and development expenses increased as a percentage of sales to 15.9% in fiscal year 2001 from 14.4% in fiscal year 2000. These expenses increased 18.5% to $11.6 million in fiscal year 2001 from $9.8 million in fiscal year 2000. The change is primarily due to increased personnel costs of $2.2 million related to an increase in research and development personnel in the Xstreme division focusing on video server hardware and software development. This increase is offset by $0.7 million of deliberate, worldwide cost reduction efforts in the Real-Time division.

General and Administrative. General and administrative expenses increased to 15.0% of sales in fiscal year 2001 from 13.6% in fiscal year 2000. These expenses increased $1.6 million or 17.7% primarily due to a $1.2 million severance charge, $0.7 million of additional costs from the growth of Xstreme division management and other corporate executive and administrative personnel, $0.4 million increase in goodwill amortization and $0.3 million of additional bad debt expense. This increase is offset by $1.1 million of deliberate, worldwide cost reduction efforts in the Real-Time division.

Other. Included in operating expenses in fiscal year 2000 is a $14.0 million non-cash charge for the write-off of in-process research and development in connection with the acquisition of Vivid Technology and a $2.4 million restructuring and relocation provision for personnel reduction costs in the Real-Time division and the relocation of the corporate headquarters and Xstreme division offices to Atlanta, Georgia.

Included in other non-recurring items in fiscal year 2000 is a $0.8 million gain related to the sale of the stock of Concurrent Vibrations, one of Concurrent's French subsidiaries, to Data Physics, Inc.

Income Taxes. Income tax expense of $0.6 million was recorded in fiscal year 2001 on a pre-tax loss of $5.6 million due to the inability to recognize the tax benefit of the current period net operating loss and the non-deductible amortization of goodwill and other assets received in the acquisition of Vivid Technology.

Net Loss. The net loss for fiscal year 2001 was $6.2 million or $0.11 per share compared to a net loss of $23.7 million or $0.46 per share in fiscal year 2000.

FISCAL YEAR 2000 IN COMPARISON TO FISCAL YEAR 1999

Product Sales. Total product sales for fiscal year 2000 were $39.1 million, an increase of $7.5 million or 23.7% from fiscal year 1999. The increase was the result of the increase in sales of VOD systems to $12.0 million in fiscal year 2000 from $1.2 million in fiscal year 1999, primarily due to sales of VOD systems in fiscal year 2000 to domestic cable operators including AOL Time Warner and Cox Communications. Partially offsetting the increase was the continued decline in sales of real-time computer systems.

Service and Other Sales. Service revenues decreased to $29.0 million in fiscal year 2000 or 24.5% from $38.4 million in fiscal year 1999. The decline resulted from customers switching from proprietary systems to Concurrent's open systems which are less expensive to maintain, and the cancellation of other proprietary computer maintenance contracts as the machines are removed from service.

Gross Margin. Gross margin decreased by $3.6 million to $31.7 million in fiscal year 2000 as compared to $35.3 million in fiscal year 1999. The gross margin as a percentage of sales decreased to 46.6% in fiscal year 2000 from 50.5% in fiscal year 1999 due to the lower margin realized in the early stages of the VOD business and a decrease in the gross margin on real-time service revenue to 44.0% in fiscal year 2000 from 48.8% in fiscal year 1999. The decrease in the gross margin on service revenue was the result of the decrease in sales and the loss of economies of scale.

Sales and Marketing. Sales and marketing expenses increased as a percentage of total sales to 29.8% in fiscal year 2000 from 27.5% in fiscal year 1999. These expenses increased 5.4% to $20.3 million in fiscal year 2000 from $19.3 million in fiscal year 1999. The increase was principally the result of an increase of $1.9 million in worldwide sales and marketing personnel costs in the Xstreme division and increased costs of $0.1 million from participation in trade show and other marketing activities. This increase was partially offset by $0.7 million of deliberate reduction of Real-Time division sales and marketing personnel costs.

Research and Development. Research and development expenses as a percentage of sales remained stable at 14.4% in fiscal year 2000 and 1999. These expenses decreased 2.7% to $9.8 million in fiscal year 2000 from $10.0 million in fiscal year 1999 primarily due to deliberate cost reduction efforts in the Real-Time division. This decrease was partially offset by the build-up of research and development personnel in the Xstreme division focusing on the video server hardware and software development, as well as the addition of personnel as part of the acquisition of Vivid Technology in October 1999.

General and Administrative. General and administrative expenses increased to 13.6% of sales in fiscal year 2000 from 9.8% in fiscal year 1999. These expenses increased $2.4 million or 34.8% primarily due to a $0.7 million severance charge, $0.2 million of additional costs from the growth of Xstreme division management and other corporate executive and administrative personnel, $0.9 million of goodwill amortization and $0.6 million from the move of the corporate headquarters and Xstreme division offices to Atlanta, Georgia.

Other. Included in operating expenses in fiscal year 2000 was a $14.0

million non-cash charge for the write-off of in-process research and development in connection with the acquisition of Vivid Technology and a $2.4 million restructuring and relocation provision for personnel reduction costs in the Real-Time division and the relocation of the corporate headquarters and Xstreme division offices to Atlanta, Georgia. Included in operating expenses in fiscal year 1999 was a $0.4 million write-down of Concurrent's French facility to fair market value due to Concurrent's decision to sell Concurrent Vibrations, a wholly-owned subsidiary of one of Concurrent's French subsidiaries.

Included in other non-recurring items in fiscal year 2000 was a $0.8 million gain related to the sale of the stock of Concurrent Vibrations, one of Concurrent's French subsidiaries, to Data Physics, Inc.

Income Taxes. Income tax expense of $0.6 million was recorded in fiscal year 2000 on a pre-tax loss of $23.1 million due to the inability to recognize the tax benefit of the current period net operating loss and the non-deductible write-off of acquired in-process research and development and amortization of other assets received in the acquisition of Vivid Technology.

Net Loss. The net loss for fiscal year 2000 was $23.7 million or $0.46 per share compared to a net loss of $1.7 million or $.03 per share in fiscal year 1999.

ACQUISITION OF VIVID TECHNOLOGY, INC.

On October 28, 1999, Concurrent acquired Vivid Technology, a former competitor in the VOD industry. Vivid Technology's interactive stand-alone video-on-demand system ("the Vivid VOD system") was specifically being designed to integrate with the most popular digital set-top boxes manufactured by Motorola. The Vivid VOD system was also expected to be compatible with the digital set-top boxes manufactured by other leading cable operators such as Philips, Panasonic and Sony. The Vivid VOD system was based on a cluster of Microsoft Windows NT computers with proprietary hardware and software added to provide high video streaming capacity and fault tolerance. The Vivid VOD system was also being designed to eventually provide VOD service including pause, rewind, and fast forward VCR-like functions. The Vivid VOD system would also provide necessary back-office support software for video content management, video selection graphical user interface, subscriber management, purchase management, billing interfaces, content provider account settlement and consumer marketing feedback. In addition, the Vivid VOD system was being designed to support other interactive applications such as on-line banking, home shopping, merchandising and on-demand/addressable advertising.

The in-process research and development acquired was estimated to be 80% complete at the date of acquisition and was estimated to cost an additional $650,000 to complete the VOD system technology project in December of 2000. A variety of tasks were yet to be completed which would be required in order for the Vivid Technology VOD system to be deployed on a commercial basis:

- The Content Manager, which is used to load movies from content providers, did not have the functionality necessary to create a royalty payment affidavit which is required for the cable operators to pay the required royalties to the content providers. Also, the Content Manager, which has been implemented using a SQL data base, needed to be ported to other relational data bases such as Oracle to support high end data base applications.

- The Resource Manager had been alpha tested; however, an advanced beta test had not been completed which would validate its ability to scale up to the required number of subscribers or connections in an actual commercial deployment.

- The Subscriber Manager, which had been implemented using a SQL data base, needed to be ported to other relational data bases such as Oracle to support high end data base applications.

- The Set Top VOD Application needed to be tested under advanced beta test conditions to ensure that the back channel key stroke system performance can fulfill operational requirements.

- The Hub Server, or video pump, needed to be tested under full load in an operational environment to ensure stability over an extended period of time. The random conditions resulting from the in home use of tens of thousands of subscribers can only be simulated in an advanced beta test which has yet to be performed.

The method used to allocate the purchase consideration to in-process research and development ("IPR&D") was the modified income approach. Under the income approach, fair value reflects the present value of the projected free cash flows that will be generated by the IPR&D project and that is attributable to the acquired technology, if successfully completed. The modified income approach takes the income approach, modified to include the following factors:

- Analysis of the stage of completion of each project;

- Exclusion of value related to research and development yet-to-be completed as part of the on-going IPR&D projects; and

- The contribution of existing products/technologies.

The projected revenues used in the income approach were based upon the incremental revenues likely to be generated upon completion of the project and the beginning of commercial sales of the Vivid VOD system, as estimated by management to begin in the quarter ending December 31, 2000. The projections assumed that the Vivid VOD system would be successful and the products' development and commercialization were as set forth by management. The discount rate used in this analysis was an after-tax rate of 28%.

Subsequent to the acquisition date, Concurrent decided to merge the Vivid VOD system and the Concurrent VOD system into one standard VOD platform. Concurrent began shipping the new hardware platform at the end of the quarter ended September 30, 2000. Initially, the new hardware platform has two software alternatives, one which is compatible with digital set-top boxes manufactured by Motorola, using core software technology developed by and purchased from Vivid, and one which is compatible with digital set-top boxes manufactured by Scientific-Atlanta, Inc. The merger of these two software solutions into one standard solution is expected to be complete near the end of the calendar year 2001.

LIQUIDITY AND CAPITAL RESOURCES

The liquidity of Concurrent is dependent on many factors, including sales volume, operating profit, debt service and the efficiency of asset use and turnover. The future liquidity of Concurrent will be affected by, among other things:

- The actual versus anticipated decline in sales of real-time proprietary systems and service maintenance revenue;
- Revenue growth from VOD systems;
- Ongoing cost control actions and expenses, including for example, research and development and capital expenditures;
- The margins on the VOD and real-time businesses;
- Timing of product shipments which occur primarily during the last month of the quarter;
- The percentage of sales derived from outside the United States where there are generally longer accounts receivable collection cycles and which receivables are not included in the borrowing base of the revolving credit facility; and
- The number of countries in which Concurrent operates, which may require maintenance of minimum cash levels in each country and, in

certain cases, may restrict the repatriation of cash, such as cash held on deposit to secure office leases.

Concurrent used cash of $0.2 million from operating activities in fiscal year 2001 compared to using cash of $0.5 million in fiscal year 2000, primarily due to the smaller loss generated by the VOD business during fiscal year 2001. Concurrent also has available a $5 million revolving credit facility with Wachovia Bank which expires December 31, 2002. Borrowings under the facility are limited to 85% of eligible accounts receivable and bear interest at between prime plus .75% or between LIBOR plus 2.25% and LIBOR plus 3.00% depending on Concurrent's ratio of Consolidated Funded Debt (as defined in the credit facility) to EBITDA. Concurrent has pledged substantially all of its assets as collateral for the facility. No borrowings were outstanding at June 30, 2001 under the credit facility. At June 30, 2001, the Company was in violation of its EBITDA covenant for the VOD division. On September 14, 2001, the Company amended its revolving credit facility and received a waiver of the covenant violation. See Note 10 to the Consolidated Financial Statements for additional details to the amendment.

Concurrent invested $3.8 million in property, plant and equipment during fiscal year 2001 compared to $4.4 million during fiscal year 2000. Current year capital expenditures relate primarily to computer equipment, development and loaner equipment for the Xstreme division and leasehold improvements for the Duluth, Georgia facility.

Concurrent received $1.2 million in fiscal year 2000 from the sale of its building in France and an additional $0.5 million from the sale of its subsidiary, Concurrent Vibrations.

Concurrent received $3.9 million in proceeds from the issuance of Common Stock to employees and directors who exercised stock options during fiscal year 2001 compared to $6.9 million in fiscal year 2000.

At June 30, 2001, Concurrent had working capital of $14.8 million and had no material commitments for capital expenditures. On July 19, 2001, Concurrent completed a private placement of 5.4 million shares of Concurrent's Common Stock resulting in additional net cash proceeds of approximately $24 million. Management of Concurrent believes that the existing cash balances including the proceeds from the private placement, available credit facility and funds generated by operations will be sufficient to meet the anticipated working capital and capital expenditure requirements for the next 12 months.

NEW ACCOUNTING STANDARDS NOT YET ADOPTED

In June 2001, the Financial Accounting Standards Board issued Statements No. 141, Business Combinations, and No. 142 ("FAS 142"), Goodwill and other Intangible Assets. Under FAS 142, goodwill and intangible assets with indefinite lives will no longer be amortized but will be subject to annual impairment tests. Other intangible assets will continue to be amortized over their useful lives. FAS 142 is effective for fiscal years beginning after December 15, 2001. As permitted, Concurrent will early-adopt the statement as of July 1, 2001, the beginning of its fiscal year. Application of the new amortization provisions of FAS 142 is expected to increase Concurrent's net income by approximately $1.3 million ($0.02 per share) in years subsequent to fiscal year 2001. At June 30, 2001, goodwill amounted to $10.7 million and goodwill amortization expense was $1,281,000 in fiscal 2001, $854,000 in fiscal 2000 and $0 in fiscal 1999. During fiscal 2002, Concurrent will perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as of July 1, 2001. Until those tests are performed and other transitional issues are finalized, Concurrent cannot estimate what the effect of the initial adoption of the statements will have on its earnings and financial position.

DISCLOSURE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made in this report, and other written or oral statements made by or on behalf of Concurrent, may constitute "forward-looking statements" within the meaning of the federal securities laws. When used in this report, the words "believes," "expects," "estimates" and similar expressions are intended to identify forward-looking statements. Statements regarding future events and developments and Concurrent's future performance, as well as its expectations, beliefs, plans, estimates or projections relating to the future, are forward-looking statements within the meaning of these laws. All forward-looking statements are subject to certain risks and uncertainties that could cause actual events to differ materially from those projected. The risks and uncertainties which could affect Concurrent's performance or results include, without limitation:

- availability of VOD content;
- delays or cancellations of customer orders;
- changes in product demand;
- economic conditions;
- various inventory risks due to changes in market conditions;
- uncertainties relating to the development and ownership of intellectual property;
- uncertainties relating to the ability of Concurrent and other companies to enforce their intellectual property rights;
- the pricing and availability of equipment, materials and inventories;
- the limited operating history of the VOD segment;
- the concentration of Concurrent's customers;
- failure to effectively manage growth;
- delays in testing and introductions of new products;
- rapid technology changes;
- the highly competitive environment in which Concurrent operates; and
- the entry of new well-capitalized competitors into Concurrent's markets and other risks and uncertainties.

These statements are based on current expectations and speak only as of the date of such statements. Concurrent undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of future events, new information or otherwise.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Concurrent is exposed to market risk from changes in interest rates and foreign currency exchange rates. Concurrent is exposed to the impact of interest rate changes on its short-term cash investments, which are backed by U.S. government obligations, and other investments in respect of institutions with the highest credit ratings, all of which have maturities of 3 months or less. These short-term investments carry a degree of interest rate risk. Concurrent believes that the impact of a 10% increase or decline in interest rates would not be material to its investment income. Concurrent conducts business in the United States and around the world. The most significant foreign currency transaction exposures relate to the United Kingdom, those Western European countries that use the Euro as a common currency, Australia and Japan. Concurrent does not hedge against fluctuations in exchange rates and believes that a hypothetical 10% upward or downward fluctuation in foreign currency exchange rates relative to the United States dollar would not have a material impact on future earnings, fair values, or cash flows.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The following consolidated financial statements and supplementary data for Concurrent are included herein.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On August 18, 1999, the accounting firm of Deloitte & Touche LLP was selected as the independent accountants for the Company for the fiscal year ended June 30, 2000. Deloitte & Touche replaced the accounting firm of KPMG LLP. KPMG LLP was notified of this decision on August 19, 1999. The decision to change auditors was approved by the Board of Directors upon recommendation of the Audit Committee.

During fiscal year 1999, KPMG's report did not contain an adverse opinion or a disclaimer opinion, nor was it qualified or modified as to uncertainty, audit scope or accounting principles. In addition, during fiscal year 1999 and any subsequent period, there were no disagreements between the Company and KPMG on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

Registrant hereby incorporates by reference in this Form 10-K certain information contained under the caption "Election of Directors" in Registrant's Proxy Statement to be used in connection with its Annual Meeting of Stockholders to be held on October 25, 2001 ("Registrant's 2001 Proxy Statement").

The Registrant hereby incorporates by reference in this Form 10-K certain information contained under the caption "Section 16(a) Beneficial Ownership Reporting Compliance" in Registrant's 2001 Proxy Statement.

ITEM 11. EXECUTIVE COMPENSATION

The Registrant hereby incorporates by reference in this Form 10-K certain information contained under the caption "Executive Compensation" in Registrant's 2001 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The Registrant hereby incorporates by reference in this Form 10-K certain information contained under the caption "Common Stock Ownership of Management and Certain Beneficial Owners" in Registrant's 2001 Proxy Statement.

The Registrant knows of no contractual arrangements, including any pledge by any person of securities of the Registrant, the operation of which may at a subsequent date result in a change in control of the Registrant.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The Registrant hereby incorporates by reference in this Form 10-K certain information contained under the captions "Common Stock Ownership of Management and Certain Beneficial Owners," "Election of Directors" and "Executive Compensation" in Registrant's 2001 Proxy Statement.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

(a)(1) Financial Statements Filed As Part Of This Report:

Independent Auditors' Reports

Consolidated Balance Sheets as of June 30, 2001 and 2000

Consolidated Statements of Operations for each of the years in the three-year period ended June 30, 2001

Consolidated Statements of Stockholders' Equity and Comprehensive Income for each of the years in the three-year period ended June 30, 2001

Consolidated Statements of Cash Flows for each of the years in the three-year period ended June 30, 2001

Notes to Consolidated Financial Statements

(2) Financial Statement Schedules

Schedule II Valuation and Qualifying Accounts

All other financial statements and schedules not listed have been omitted since the required information is included in the Consolidated Financial Statements or the Notes thereto, or is not applicable, material or required.

(3) Exhibits

EXHIBIT		DESCRIPTION OF DOCUMENT
2.2	--	Agreement and Plan of Merger dated as of October 28, 1999 between the Registrant and Vivid Technology, Inc. (Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1999).
2.3	--	Registration Rights Agreement, dated as of October 28, 1999 by and among Fred Allegrezza, Gary Lauder, Robert Clasen and the Registrant. (Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 1999).
3.1	--	Restated Certificate of Incorporation of the Registrant. (Incorporated by reference to the Registrant's Registration Statement on Form S-2 (No. 33-62440)).
3.2	--	Amended and Restated Bylaws of the Registrant. (Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 28, 1996).
4.1	--	Form of Common Stock Certificate. (Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1992).
4.2	--	Rights Agreement dated as of July 31, 1992 between the Registrant

and First National Bank of Boston, as rights agent. (Incorporated by reference to the Registrant's Current Report on Form 8-K dated August 20, 1992).

4.3 -- Warrant to purchase shares of Common Stock of the Registrant dated August 17, 1998 issued to Scientific-Atlanta, Inc. (Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1998).

10.1 -- 1991 Restated Stock Option Plan (as amended as of October 30, 1997). (Incorporated by reference the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 1997).

10.2 -- Form of Employment Agreement between the Registrant and its executive officers. (Incorporated by reference to of the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1991).

10.3 -- Employment Agreement dated as of March 25, 1996 between the Registrant and E. Courtney Siegel. (Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1996).

10.4 -- Amendment to Employment Agreement dated as of January 1, 1999 between the Registrant and E. Courtney Siegel. (Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1999).

10.5 -- Amended and Restated Employment Agreement dated as of December 6, 1999 between the Registrant and Daniel S. Dunleavy. (Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 1999).

10.6 -- Amended and Restated Employment Agreement dated as of November 15, 1999 between the Registrant and Steve G. Nussrallah. (Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 1999).

10.7 -- Employment Agreement dated as of October 28, 1999 between the Registrant and Steven R. Norton. (Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended December 31, 1999).

10.8 -- Employment Agreement dated as of July 10, 2000 between the Registrant and Jack A. Bryant. (Incorporated by reference to the Registrant's Annual Report on Form 10-K/A for the fiscal year ended June 30, 2000).

10.9* -- Employment Agreement dated as of December 13, 2000 between the Registrant and Paul C. Meyer.

10.10 -- Form of Incentive Stock Option Agreement between the Registrant and its executive officers. (Incorporated by reference to the Registrant's Registration Statement on Form S-1. (No. 33-45871)).

10.11 -- Form of Non-Qualified Stock Option Agreement between the Registrant and its executive officers. (Incorporated by reference to the Registrant's Annual Report on Form 10-K for the fiscal year ended June 30, 1997).

10.12 -- Sublicensing Agreement between the Registrant and AT&T Information Systems. (Incorporated by reference to the Registrant's Registration Statement on Form S-2 (No. 33-62440)).

10.13 -- Amended and Restated Loan and Security Agreement dated March 1, 1998 between the Registrant and Foothill Capital Corporation. (Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 1998).

10.14 -- Loan and Security Agreement between Concurrent Computer Corporation and Wachovia Bank, N.A., dated November 3, 2000. (Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2000).

10.15* -- Amendment No. 1 to Loan and Security Agreement between Concurrent Computer Corporation and Wachovia Bank, N.A., dated March 28, 2001.

10.16* -- Amendment No. 2 to Loan and Security Agreement between Concurrent Computer Corporation and Wachovia Bank, N.A., dated September 14, 2001.

10.17 -- Video-On-Demand Purchase Agreement, dated March 29, 2001, by and between Concurrent Computer Corporation and Comcast Cable Communications of Pennsylvania, Inc. (portions of the exhibit have been omitted pursuant to a request for confidential treatment) (Incorporated by reference to the Registrant's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2001).

16.1 -- Letter regarding change in certifying accountant. (Incorporated by reference to the Registrant's Current Report on Form 8-K dated November 4, 1999).

21.1* -- List of Subsidiaries.

23.1* -- Consent of Deloitte & Touche LLP.

23.2* -- Consent of KPMG LLP

* Included herewith.

(b) Reports On Form 8-K.

The following reports on Form 8-K were filed during the period covered by this report:

- Current Report on Form 8-K filed on May 17, 2001 relating to the private placement of Common Stock.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders of
Concurrent Computer Corporation:

We have audited the accompanying consolidated balance sheets of Concurrent Computer Corporation and subsidiaries as of June 30, 2001 and 2000, and the related consolidated statements of operations, stockholders' equity and comprehensive loss and cash flows for the years then ended. Our audits also included the consolidated financial statement schedule for the years ended June 30, 2001 and 2000 listed in the Index at Item 14(a)(2). These consolidated financial statements and consolidated financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and consolidated financial statement schedule based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Concurrent Computer Corporation and subsidiaries as of June 30, 2001 and 2000, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, such consolidated financial statement schedule for the years ended June 30, 2001 and 2000, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

/s/ Deloitte & Touche LLP

Atlanta, Georgia
August 3, 2001 (September 14, 2001 as to paragraph 2 of Note 10)

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Concurrent Computer Corporation

We have audited the accompanying consolidated statements of operations, redeemable preferred stock, stockholders' equity and comprehensive income, and cash flows of Concurrent Computer Corporation and subsidiaries for the year ended June 30, 1999. In connection with our audit of the consolidated financial statements, we also audited the financial statement schedule for the year ended June 30, 1999, as listed in Item 14 (a)(2) of the Company's 2001 Annual Report on Form 10-K. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the results of operations and cash flows of Concurrent Computer Corporation and subsidiaries for the year ended June 30, 1999 in conformity with generally accepted accounting principles. Also, in our opinion, the related financial statement schedule for the year ended June 30, 1999, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects the information set forth therein.

/s/ KPMG LLP

Atlanta, Georgia
July 31, 1999

CONCURRENT COMPUTER CORPORATION
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS, EXCEPT SHARE AND PER SHARE AMOUNTS)

	JUNE 30, 2001	JUNE 30, 2000
ASSETS		
Current assets:		
Cash and cash equivalents	$ 9,460	$ 10,082
Accounts receivable, less allowance for doubtful accounts of $860 at June 30, 2001 and $484 at June 30, 2000	14,348	12,907
Inventories	7,187	5,621
Prepaid expenses and other current assets	1,058	2,381
Total current assets	32,053	30,991
Property, plant and equipment - net	10,484	11,314
Purchased developed computer software - net	1,583	1,773
Goodwill - net	10,744	11,981
Other long-term assets - net	2,188	1,019
Total assets	$ 57,052	$ 57,078
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	$ 13,929	$ 13,297
Deferred revenue	3,300	2,311
Total current liabilities	17,229	15,608
Long-term liabilities:		
Deferred revenue	1,193	297
Other	5,347	2,902
Total liabilities	23,769	18,807
Stockholders' equity:		
Shares of series preferred stock, par value $.01; 25,000,000 authorized; none issued	-	-
Shares of class A preferred stock, par value $100; 20,000 authorized; none issued	-	-
Shares of common stock, par value $.01; 100,000,000 authorized; 55,061,838 and 53,910,918 issued at June 30, 2001 and 2000, respectively	551	538
Capital in excess of par value	140,352	135,394
Accumulated deficit after eliminating accumulated deficit of $81,826 at December 31, 1991, date of quasi-reorganization	(102,760)	(96,571)
Treasury stock, at cost; 840 shares	(58)	(58)
Accumulated other comprehensive loss	(4,802)	(1,032)
Total stockholders' equity	33,283	38,271
Total liabilities and stockholders' equity	$ 57,052	$ 57,078

The accompanying notes are an integral part of the consolidated financial statements.

CONCURRENT COMPUTER CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)

	YEAR ENDED JUNE 30, 2001	2000	1999
Revenues:			
Product sales			

Real-time systems	$25,740	$ 27,122	$30,389
Video-on-demand systems	23,814	11,952	1,208
Total product sales	49,554	39,074	31,597
Service and other	23,267	29,016	38,366
Total	72,821	68,090	69,963
Cost of sales:			
Real-time and video-on-demand systems	27,193	20,111	15,001
Service and other	12,608	16,236	19,625
Total	39,801	36,347	34,626
Gross margin	33,020	31,743	35,337
Operating expenses:			
Sales and marketing	16,112	20,311	19,274
Research and development	11,579	9,775	10,046
General and administrative	10,920	9,277	6,883
Cost of purchased in-process research and development	-	14,000	-
Relocation and restructuring	-	2,367	-
Loss on facility held for sale	-	-	423
Total operating expenses	38,611	55,730	36,626
Operating loss	(5,591)	(23,987)	(1,289)
Interest expense	(214)	(127)	(261)
Interest income	302	316	295
Other non-recurring items	0	761	(88)
Other income (expense) - net	(86)	(78)	41
Loss before provision for income taxes	(5,589)	(23,115)	(1,302)
Provision for income taxes	600	600	363
Net loss	$(6,189)	$(23,715)	$(1,665)
Basic and diluted net loss per share	$ (0.11)	$ (0.46)	$ (0.03)

The accompanying notes are an integral part of the consolidated financial statements.

CONCURRENT COMPUTER CORPORATION
CONSOLIDATED STATEMENTS OF STOCKHOLDERS'
EQUITY AND COMPREHENSIVE INCOME
(IN THOUSANDS, EXCEPT SHARE AMOUNTS)
FOR EACH OF THE YEARS IN THE THREE-YEAR PERIOD ENDED JUNE 30, 2001

	COMMON STOCK		CAPITAL IN		ACCUMULATED	TREASURY STOCK		
	SHARES	PAR VALUE	EXCESS OF PAR VALUE	ACCUMULATED DEFICIT	OTHER COMPREHENSIVE INCOME (LOSS)	SHARES	COST	TOTAL
Balance at June 30, 1998	47,632,309	$ 476	$ 97,136	$ (71,191)	$ (853)	(840)	$ (58)	$25,510
Sale of common stock under stock plans	884,218	9	1,780					1,789
Comprehensive loss:								
Net loss				(1,665)				(1,665)
Foreign currency translation adjustment					377			377
Total comprehensive loss								(1,288)
Balance at June 30, 1999	48,516,527	485	98,916	(72,856)	(476)	(840)	(58)	26,011
Sale of common stock under stock plans	3,160,692	31	7,277					7,308
Issuance of common stock related to acquisition of Vivid Technology	2,233,699	22	28,879					28,901
Performance warrants			322					322
Comprehensive loss:								
Net loss				(23,715)				(23,715)
Foreign currency translation adjustment					(556)			(556)
Total comprehensive loss								(24,271)
Balance at June 30, 2000	53,910,918	538	135,394	(96,571)	(1,032)	(840)	(58)	38,271

Sale of common stock under stock plans	1,150,920	13	3,903					3,916
Performance warrants			1,055					1,055
Comprehensive loss:								
Net loss				(6,189)				(6,189)
Foreign currency translation adjustment					(967)			(967)
Minimum pension liability adjustment					(2,803)			(2,803)
Total comprehensive loss								(9,959)
Balance at June 30, 2001	55,061,838	$ 551	$ 140,352	$(102,760)	$ (4,802)	(840)	$ (58)	$33,283

The accompanying notes are an integral part of the consolidated financial statements.

CONCURRENT COMPUTER CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)

	YEAR ENDED JUNE 30,		
	2001	2000	1999
Cash flows provided by (used in) operating activities:			
Net loss	$(6,189)	$(23,715)	$(1,665)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Write-off of in-process research and development	-	14,000	-
Gain on sale of subsidiary	-	(761)	-
Accrual of non-cash warrants	1,055	322	-
Loss on impairment of facility held for sale	-	-	423
Loss on dissolution of subsidiary	-	-	429
Depreciation and amortization	5,995	6,145	4,959
Provision for inventory reserves	1,712	550	1,087
Stock compensation	-	368	-
Other non-cash expenses	597	289	19
Decrease (increase) in assets, net of effect of acquisitions and dispositions:			
Accounts receivable	(2,031)	1,574	4,098
Inventories	(3,278)	(1,530)	535
Prepaid expenses and other current assets	1,047	(1,959)	(384)
Other long-term assets	(1,146)	216	318
Increase (decrease) in liabilities:			
Accounts payable and accrued expenses	632	4,028	(4,348)
Short-term deferred revenue	989	(1,170)	(240)
Long-term liabilities	404	1,128	(91)
Net cash provided by (used in) operating activities	(213)	(515)	5,140
Cash flows used in investing activities:			
Net additions to property, plant and equipment	(3,761)	(4,361)	(4,194)
Net proceeds from sale of subsidiary	276	496	-
Proceeds from sale of facility	-	1,223	-
Other	-	76	-
Net cash used in investing activities	(3,485)	(2,566)	(4,194)
Cash flows provided by financing activities:			
Net payments of notes payable	-	-	(425)
Net repayment of debt	(71)	(33)	(1,123)
Proceeds from sale and issuance of common stock	3,916	6,940	1,789
Net cash provided by financing activities	3,845	6,907	241
Effect of exchange rates on cash and cash equivalents	(769)	(616)	(48)
Increase in cash and cash equivalents	(622)	3,210	1,139
Cash and cash equivalents - beginning of year	10,082	6,872	5,733
Cash and cash equivalents - end of year	$ 9,460	$ 10,082	$ 6,872
Cash paid during the period for:			
Interest	$ 277	$ 242	$ 258

Income taxes (net of refunds)	$ 621	$ 257	$ 1,041
	========	=========	========
Non-cash investing/financing activities:			
Non-cash consideration for acquisition	$ -	$ 28,900	$ -
	========	=========	========

The accompanying notes are an integral part of the consolidated financial statements.

CONCURRENT COMPUTER CORPORATION

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. OVERVIEW OF THE BUSINESS

Concurrent Computer Corporation ("Concurrent") is a leading supplier of high-performance computer systems, software, and services. In August 1999, Concurrent's emerging Video-On-Demand ("VOD") division opened its own facilities separate from its Real-Time division in order to maximize the focus in each of these businesses.

Concurrent is a leading supplier of digital video server systems to a wide range of industries and its VOD division serves a variety of markets including the broadband/cable, hospitality, intranet/distance learning, and other related markets. Based on a scalable, real-time software architecture, Concurrent's VOD hardware and software are integrated to deliver fault-tolerant, deterministic streaming video to a broad spectrum of VOD applications.

Concurrent is also a leading provider of high-performance, real-time computer systems, solutions, and software for commercial and government markets. Concurrent's Real-Time division focuses on strategic market areas that include hardware-in-the-loop and man-in-the-loop simulation, data acquisition, industrial systems, and software and embedded applications.

A "real-time" system or software is one specially designed to acquire, process, store, and display large amounts of rapidly changing information in real-time - that is, with microsecond response as changes occur. Concurrent has over thirty years of experience in real-time systems, including specific expertise in systems, applications software, productivity tools, and networking. Its systems provide real-time applications for gaming, simulation, engine test, air traffic control, weather analysis, and mission critical data services such as financial market information.

In August, 1999, Concurrent's Corporate Headquarters and VOD division's offices were relocated to Duluth, Georgia from Fort Lauderdale, Florida. Its Real-Time division's offices and manufacturing facility remain in Fort Lauderdale and Pompano Beach, Florida.

Concurrent provides sales and support from offices and subsidiaries throughout North America, South America, Europe, Asia, and Australia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of all wholly-owned domestic and foreign subsidiaries. All significant intercompany transactions and balances have been eliminated in consolidation.

Foreign Currency

The functional currency of substantially all of Concurrent's foreign subsidiaries is the applicable local currency. The translation of the applicable foreign currencies into U.S. dollars is performed for balance sheet accounts using current exchange rates in effect at the balance sheet date and for revenue and expense accounts using average rates of exchange prevailing during the fiscal year. Adjustments resulting from the translation of foreign currency financial statements are accumulated in a separate component of stockholders' equity until the entity is sold or substantially liquidated. Gains or losses resulting from foreign currency transactions are included in the results of operations, except for those relating to intercompany transactions of a long-term investment nature which are accumulated in a separate component of stockholders' equity.

Gains (losses) on foreign currency transactions of $1,000, $(3,000), and $132,000 for the years ended June 30, 2001, 2000, and 1999, respectively, are included in other income (expense) - net.

Cash Equivalents

Short-term investments with maturities of ninety days or less at the date of purchase are considered cash equivalents. Cash equivalents are stated at cost plus accrued interest, which approximates market, and represents cash invested in U.S. Government securities, bank certificates of deposit, or commercial paper.

Inventories

Inventories are stated at the lower of cost or market, with cost determined on the first-in, first-out basis. Concurrent establishes excess and obsolete inventory reserves based upon historical and anticipated usage.

Property, Plant and Equipment

Property, plant and equipment are stated at acquired cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of assets ranging from three to forty years. Leasehold improvements are amortized over the shorter of the useful lives of the improvements or the terms of the related lease. Gains and losses resulting from the disposition of property, plant and equipment are included in other income (expense) - net. Expenditures for repairs and maintenance are charged to operations as incurred and expenditures for major renewals and betterments are capitalized.

Revenue Recognition and Related Matters

Video-on-demand and real-time system revenues are recognized based on the guidance in American Institute of Certified Public Accountants Statement of Position 97-2, Software Revenue Recognition. Concurrent recognizes revenue from video-on-demand and real-time systems when persuasive evidence of an arrangement exists, the system has been shipped, the fee is fixed or determinable and collectibility of the fee is probable. Under multiple element arrangements, Concurrent allocates revenue to the various elements based on vendor-specific objective evidence ("VSOE") of fair value. Concurrent's VSOE of fair value is determined based on the price charged when the same element is sold separately.

In certain instances, Concurrent's customers require significant customization of both the software and hardware products and, therefore, the revenues are recognized as long term contracts in conformity with Accounting Research Bulletin ("ARB") No. 45 "Long Term Construction Type Contracts", Statement of Position ("SOP") 81-1 "Accounting for Performance of Construction-Type and Certain Production-Type Contracts" and SOP 97-2 "Software Revenue Recognition". For long-term contracts, revenue is recognized using the percentage-of-completion method of accounting based on costs incurred on the project compared to the total costs expected to be incurred through completion.

Concurrent recognizes revenue from customer service plans ratably over the term of each plan, typically one year.

Custom engineering and integration services performed by the Real-Time division are typically completed within 90 days from receipt of an order. Revenues from these services are recognized upon completion and delivery of the software solution to the customer.

Capitalized Software

Concurrent accounts for software development costs in accordance with SFAS No. 86, "Accounting for the Costs of Computer Software to be Sold, Leased, or Otherwise Marketed" ("SFAS No. 86"). Under SFAS No. 86, the costs associated with software development are required to be capitalized after technological feasibility has been established. Concurrent ceases capitalization upon the achievement of customer availability. Costs incurred by Concurrent between technological feasibility and the point at which the products are ready for market are insignificant and as a result Concurrent has no internal software development costs capitalized at June 30, 2001 and 2000.

Concurrent has not incurred costs related to the development or purchase of internal use software.

Research and Development

Research and development expenditures are expensed as incurred.

Basic and Diluted Net Income (Loss) per Share

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of common shares outstanding during each year. Diluted net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares including common share eqivalents. Under the treasury stock method, incremental shares representing the number of additional common shares that would have been outstanding if the dilutive potential common shares had been issued are included in the computation. Common share equivalents of 3,930,000, 4,548,000 and 2,600,000 for the years ended June 30, 2001, 2000 and 1999, respectively, were excluded from the calculation as their effect was antidilutive.

Impairment of Long-Lived Assets

Concurrent follows the provisions of SFAS No. 121 "Accounting for the Impairment of Long-lived Assets and for Long-lived Assets to be Disposed Of." This statement establishes accounting standards for the impairment of long-lived assets, certain identifiable intangibles, and goodwill related to those assets to be held and used, and for long-lived assets and certain identifiable intangibles to be disposed of. Concurrent reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable.

Fair Value of Financial Instruments

The carrying amounts of cash and cash equivalents, accounts receivable, inventories, prepaid expenses, accounts payable and short term debt approximate fair value because of the short maturity of these instruments.

Fair value estimates are made at a specific point in time, based on the relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement and therefore cannot be determined with precision. Changes in assumption could significantly affect the estimates.

Income Taxes

Concurrent and its domestic subsidiaries file a consolidated federal income tax return. All foreign subsidiaries file individual tax returns pursuant to local tax laws. Concurrent follows the asset and liability method of accounting for income taxes. Under the asset and liability method, a deferred tax asset or liability is recognized for temporary differences between financial reporting and income tax bases of assets and liabilities, tax credit carryforwards and operating loss carryforwards. A valuation allowance is established to reduce deferred tax assets if it is more likely than not that such deferred tax assets will not be realized. Utilization of net operating loss carryforwards and tax credits, which originated prior to Concurrent's quasi-reorganization effected on December 31, 1991, are recorded as adjustments to capital in excess of par value.

Pensions and Postretirement Benefits

In February 1998, SFAS No. 132, "Employer's Disclosures About Pensions and Other Postretirement Benefits," ("SFAS 132") was issued. SFAS 132 requires

additional disclosures concerning changes in Concurrent's pension and other postretirement benefit obligations and assets and eliminates certain disclosures no longer considered useful. Concurrent has adopted the provisions of this standard in fiscal year 1999. The adoption of this statement did not impact Concurrent's consolidated financial position, results of operations, or cash flows, and any effects are limited to the form and content of its disclosures.

Stock-Based Compensation

Concurrent accounts for its stock option plan in accordance with the provisions of Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB Opinion No. 25"), and related interpretations. As such, compensation expense would be recorded on the date of grant only if the current market price of the underlying stock exceeded the exercise price. SFAS No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), permits entities to recognize as expense over the vesting period the fair value of all stock-based awards on the date of grant. Alternatively, SFAS No. 123 also allows entities to continue to apply the provisions of APB Opinion No. 25 and provide pro forma net (loss) income and pro forma (loss) income per share disclosures for employee stock option grants made in 1995 and future years as if the fair-value-based method defined in SFAS No. 123 had been applied. Concurrent has elected to continue to apply the provisions of APB Opinion No. 25 and provide the pro forma disclosure provisions of SFAS No. 123.

Segment Information

Concurrent operated in one segment for management reporting purposes until July 1, 1999 when Concurrent separated the facilities personnel and reporting for the VOD division from the Real-Time division. Concurrent has separately reported the fiscal year 2001 and 2000 operating results for both the VOD division and the Real-Time division.

Comprehensive (Loss) Income

Effective July 1, 1998, Concurrent adopted SFAS No. 130, "Reporting

Comprehensive Income" ("SFAS No. 130"). SFAS No. 130 requires the reporting of comprehensive income in addition to net income from operations. Comprehensive income is a more inclusive financial reporting methodology that includes disclosure of certain financial information that historically has not been recognized in the calculation of net income. Comprehensive income is defined as a change in equity during the financial reporting period of a business enterprise resulting from non-owner sources.

Accumulated other comprehensive income (loss) consists of the following components:

	FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	MINIMUM PENSION LIABILITY	ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)
Balance at June 30, 1998	$ (853)	$ -	$ (853)
Other comprehensive income	377	-	377
Balance at June 30, 1999	(476)	-	(476)
Other comprehensive loss	(556)	-	(556)
Balance at June 30, 2000	(1,032)	-	(1,032)
Other comprehensive loss	(967)	(2,803)	(3,770)
Balance at June 30, 2001	$ (1,999)	$ (2,803)	$ (4,802)

Use of Estimates

Management of Concurrent has made a number of estimates and assumptions relating to the reporting of assets and liabilities and the disclosure of contingent assets and liabilities at the balance sheet dates and the reporting of revenues and expenses during the reporting periods, to prepare these financial statements in conformity with generally accepted accounting principles. Actual results could differ from those estimates.

Reclassifications

Certain prior years' amounts have been reclassified to conform with the current year's presentation.

3. ACQUISITION

On October 28, 1999, Concurrent acquired Vivid Technology, Inc. ("Vivid") for total consideration of $29.4 million, consisting of 2,233,699 shares of Common Stock valued at $24.7 million, $0.5 million of acquisition costs, and 378,983 shares reserved for future issuance upon exercise of stock options with a value of $4.2 million. The acquisition was treated as a purchase for accounting purposes, and, accordingly, the assets and liabilities were recorded based on their fair values at the date of the acquisition. The purchase price allocation and the respective useful lives of the intangible assets are as follows:

	ALLOCATION	LIFE

Working capital	$ 72	
Fixed assets	257	
Other long-term assets	13	
Developed completed computer software technology	1,900	10 yrs
Employee workforce	400	3 yrs
Goodwill	12,808	10 yrs
In-process research and development	14,000	

Amortization of intangible assets is on a straight-line basis over the assets' estimated useful life. Vivid's operations are included in the condensed consolidated statements of operations from the date of acquisition.

At the acquisition date, Vivid had one product under development that had not demonstrated technological or commercial feasibility. This product was the Vivid interactive video-on-demand integrated system. The in-process technology has no alternative use in the event that the proposed product does not prove to be feasible. This development effort falls within the definition of In-Process Research and Development ("IPR&D") contained in Statement of Financial Accounting Standards ("SFAS") No. 2 and was expensed in the quarter ended December 31, 1999 as a one-time charge.

Consistent with Concurrent's policy for internally developed software, Concurrent determined the amounts to be allocated to IPR&D based on whether technological feasibility had been achieved and whether there was any alternative future use for the technology. As of the date of the acquisition, Concurrent concluded that the IPR&D had no alternative future use after taking into consideration the potential for usage of the software in different products, resale of the software and internal usage.

The following unaudited pro forma information presents the results of operations of Concurrent as if the acquisition had taken place on July 1, 1998 and includes the one-time charge related to the write-off of the purchased IPR&D of $14 million for the fiscal year ended June 30, 2000:

	YEAR ENDED JUNE 30,	
	2000	1999
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)	
Revenues	$ 68,444	$70,603
Net loss	$(24,717)	$(4,419)
Basic and diluted net loss per share	$ (0.47)	$ (0.09)

4. RESTRUCTURING AND RELOCATION

In August 1999, Concurrent relocated its Corporate Headquarters and its VOD division to Duluth, Georgia. In connection with this move, Concurrent incurred employee relocation costs of $769,000, which is recorded as an operating expense in the consolidated statement of operations for the year ended June 30, 2000. As of June 30, 2001 and 2000, all costs had been paid and there were no remaining accrued costs.

In addition to the VOD division relocation discussed above, management decided in the first quarter of fiscal year 2000 to "right-size" the Real-Time division to bring its expenses in line with its anticipated revenues. In connection with these events, Concurrent recorded a $1.6 million operating expense in the consolidated statement of operations for the year ended June 30, 2000. This expense represents workforce reductions of approximately 38 employees in all areas of Concurrent. As of June 30, 2000, all costs had been paid and there were no remaining accrued costs.

In connection with the acquisition of the Harris Computer Systems Corporation ("HCSC") Real-Time division, Concurrent recorded a $23.2 million restructuring provision as of June 30, 1996. Such charge, based on formal approved plans, included the estimated costs related to the rationalization of facilities, workforce reductions, asset writedowns and other costs which represented approximately 44%, 28%, 26%, and 2%, respectively. The rationalization of facilities included the planned disposition of Concurrent's Oceanport, New Jersey facility, as well as the closing or downsizing of certain offices located throughout the world. The workforce reductions included the termination of approximately 200 employees worldwide, encompassing substantially all of Concurrent's employee groups. The asset writedowns were primarily related to the disposition of duplicative machinery and equipment. Cash expenditures related to this restructuring were $117,000 and $600,000 for the years ended June 30, 2000 and 1999, respectively. As of June 30, 2000, all costs had been paid and there were no remaining accrued costs.

On May 5, 1992, Concurrent had entered into an agreement with the Industrial Development Authority (the "IDA") to maintain a presence in Ireland through April 30, 1998. In connection with the acquisition of the HCSC Real-Time division, Concurrent closed its Ireland operations in December 1996 and was required to repay grants to the IDA of approximately $484,000 (360,000 Irish pounds). During fiscal year 1999, $394,000 was paid to the IDA and the remaining amount of $90,000 was paid in fiscal 2000. As of June 30, 2000, all costs had been paid and there were no remaining accrued costs.

5. DISSOLUTION OF SUBSIDIARY

During the year ended June 30, 1999, Concurrent dissolved its subsidiary Concurrent Computer Corporation France (the "French Branch"). However, the French Branch should not be confused with Concurrent Computer Corporation S.A.,

Concurrent's continuing French subsidiary. In connection with the dissolution, all assets and liabilities of the French Branch were assumed by Concurrent. As a result, a loss of $429,000, representing the write off of the French Branch's cumulative translation adjustment, was recorded as other non-recurring items in the consolidated statement of operations for the year ended June 30, 1999.

6. SALE OF SUBSIDIARY

On September 8, 1999, Concurrent entered into an agreement to sell the stock of Concurrent Vibrations, a wholly owned subsidiary of Concurrent Computer Corporation S.A., to Data Physics, Inc. The transaction, which had an effective date of August 31, 1999, resulted in a gain of $761,000. This gain is recorded as other non-recurring items in the consolidated statement of operations for the year ended June 30, 2000.

7. INVENTORIES

Inventories consist of the following:

	JUNE 30,	
	2001	2000

	(DOLLARS IN THOUSANDS)	
Raw Materials	$ 5,709	$ 4,333
Work-in-process	1,178	947
Finished Goods	300	341
	$ 7,187	$ 5,621

At June 30, 2001 and 2000, some portion of Concurrent's inventory was in excess of the current requirements based upon the planned level of sales for future years. Accordingly, Concurrent recorded an accrual for inventory reserves of $3.5 million and $4.0 million to reduce the value of the inventory to its estimated net realizable value at June 30, 2001 and 2000, respectively.

8. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of the following:

	JUNE 30,	
	2001	2000
	(DOLLARS IN THOUSANDS)	
Buildings and leasehold improvements	$ 2,217	$ 2,131
Machinery, equipment and customer support spares	31,170	31,346
	33,387	33,477
Less: Accumulated depreciation	(22,903)	(22,163)
	$ 10,484	$ 11,314

For the years ended June 30, 2001, 2000 and 1999, depreciation and amortization expense for property, plant and equipment amounted to $4,386,000, $4,148,000 and $4,087,000, respectively.

In fiscal year 1999, Concurrent entered into an agreement to sell its France facility. In connection with this transaction, which was finalized in the first quarter of fiscal year 2000, the facility was written down by $0.4 million to its estimated fair market value of $1.2 million, based upon a valuation by the acquiring company, and classified as a facility held for sale

in the consolidated balance sheet. The loss on facility held for sale is reflected as an operating expense in the consolidated statement of operations for fiscal year 1999.

9. ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consist of the following:

JUNE 30,	
2001	2000
(DOLLARS IN THOUSANDS)	

Accounts payable, trade	$ 4,277	$ 4,484
Accrued payroll, vacation and other employee expenses	6,090	6,292
Warranty accrual	977	668
Other accrued expenses	2,585	1,853
	$ 13,929	$ 13,297

10. REVOLVING CREDIT FACILITY

Concurrent has a revolving credit facility with a bank that expires on June 30, 2002 and which provides for borrowings of up to $15 million at an interest rate at between prime (6.75% at June 30, 2001) plus 0.75% or LIBOR plus 2.25% and LIBOR plus 3.00% depending on Concurrent's ratio of Consolidated Funded Debt (as defined in the credit facility) to EBITDA. Concurrent has pledged substantially all of its assets as collateral for the facility. No borrowings were outstanding at June 30, 2001 under the credit facility.

At June 30, 2001, the Company was in violation of its EBITDA covenant for the VOD division. On September 14, 2001, the Company amended its revolving credit facility and received a waiver of the covenant violation. Among the items amended include the reduction of the maximum borrowings to $5 million, changes to the minimum EBITDA covenants, and an extension of the expiration date of the revolving credit facility from June 30, 2002 to December 31, 2002. In consideration for the amendments to the revolving credit facility and the waiver of the covenant violation, the Company paid certain fees and expenses aggregating approximately $40,000.

11. INCOME TAXES

The domestic and foreign components of income (loss) before provision for income taxes are

	YEAR ENDED JUNE 30,		
	2001	2000	1999
	(DOLLARS IN THOUSANDS)		
United States	$ (5,222)	$ (22,952)	$ (1,420)
Foreign	(367)	(163)	118
	$ (5,589)	$ (23,115)	$ (1,302)

The components of the provision for income taxes are as follows:

	YEAR ENDED JUNE 30,		
	2001	2000	1999
	(DOLLARS IN THOUSANDS)		
Current:			
Federal	$ -	$ -	$ -
Foreign	600	201	1,056
Total	600	201	1,056

Deferred:			
Federal	-	-	-
Foreign (benefit)	-	399	(693)
Total	-	399	(693)
Total	$ 600	$ 600	$ 363

A reconciliation of the income tax (benefit) expense computed using the Federal statutory income tax rate to Concurrent's provision for income taxes is as follows:

	YEAR ENDED JUNE 30,		
	2001	2000	1999
	(DOLLARS IN THOUSANDS)		
Loss before provision for income taxes	$(5,589)	$(23,115)	$(1,302)
Tax (benefit) at Federal statutory rate	(1,899)	(7,859)	(443)
Change in valuation allowance	(2,264)	2,749	(1,442)
Non-deductible in-process research and development charge	-	4,760	-
Other permenant differences, net	4,763	950	2,248
Provision for income taxes	$ 600	$ 600	$ 363

As of June 30, 2001 and 2000, Concurrent's deferred tax assets and liabilities were comprised of the following:

	JUNE 30,	
	2001	2000
	(DOLLARS IN THOUSANDS)	
Gross deferred tax assets related to:		
U.S. and foreign net operating loss carryforwards	$ 69,761	$ 66,755
Book and tax basis differences for reporting purposes	169	206
Other reserves	5,794	3,789
Accrued compensation	458	718
Other	810	2,434
Total gross deferred tax assets	76,992	73,902
Valuation allowance	(74,779)	(71,956)
Total deferred tax asset	2,213	1,946
Gross deferred tax liabilities related to property and equipment/other	1,552	1,652
Total gross deferred tax liability	1,552	1,652

Deferred income taxes	$ 661	$ 294

Any future benefits attributable to the U.S. Federal net operating loss carryforwards which originated prior to Concurrent's quasi-reorganization are accounted for through adjustments to capital in excess of par value. Under Section 382 of the Internal Revenue Code, future benefits attributable to the net operating loss carryforwards and tax credits which originated prior to Concurrent's quasi-reorganization and those which originated subsequent to Concurrent's quasi-reorganization through the date of Concurrent's 1993 comprehensive refinancing ("1993 Refinancing") are limited to approximately $0.3 million per year. Concurrent's U.S. Federal net operating loss carryforwards begin to expire in 2004. As of June 30, 2001, Concurrent has remaining utilizable U.S. Federal tax net operating loss carryforwards of approximately $172 million for income tax purposes. Approximately $62 million of these net operating loss carryforwards originated prior to Concurrent's 1993 Refinancing and are limited to $300,000 per year.

The tax benefits associated with nonqualified stock options and disqualifying dispositions of incentive stock options increased the operating loss carryforward by approximately $5.1 million for the year ended June 30, 2001. Such benefits will be recorded as an increase to additional paid-in capital when realized.

Deferred income taxes have not been provided for undistributed earnings of foreign subsidiaries, which originated subsequent to Concurrent's quasi-reorganization, primarily due to Concurrent's required investment in certain subsidiaries.

Additionally, deferred income taxes have not been provided on undistributed earnings of foreign subsidiaries which originated prior to Concurrent's quasi-reorganization. The impact of both the subsequent repatriation of such earnings and the resulting offset, in full, from the utilization of net operating loss carryforwards will be accounted for through adjustments to capital in excess of par value.

The valuation allowance for deferred tax assets as of June 30, 2001 and 2000 was approximately $75 million and $72 million, respectively. The net change in the total valuation allowance for the year ended June 30, 2001 was an increase of approximately $2.8 million. The net increase in the total valuation allowance for the year ended June 30, 2000 was approximately $14.6 million and the net decrease in the total valuation allowance for the year ended June 30, 1999 was approximately $1.4 million. In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. As such, the deferred tax assets have been reduced by the valuation allowance since management considers more likely than not that these deferred tax assets will not be realized.

12. PENSIONS AND OTHER POSTRETIREMENT BENEFITS

Concurrent maintains a retirement savings plan (the "Plan") available to U.S. employees which qualifies as a defined contribution plan under Section 401(k) of the Internal Revenue Code. Concurrent may make a discretionary matching contribution equal to 100% of the first 6% of employees' contributions. For the years ended June 30, 2001, 2000 and 1999, Concurrent matched 100% of the employees' Plan contributions up to 6%.

Concurrent's matching contributions under the Plan are as follows:

	2001	2000	1999
	(DOLLARS IN THOUSANDS)		
Matching contribution	$ 1,120	$ 1,378	$ 1,040

Certain foreign subsidiaries of Concurrent maintain pension plans for their employees which conform to the common practice in their respective countries. The related changes in benefit obligation and plan assets and the amounts recognized in the consolidated balance sheets are presented in the following tables:

Reconciliation of Funded Status

	JUNE 30, 2001	JUNE 30, 2000
	(DOLLARS IN THOUSANDS)	
Change in benefit obligation:		
Benefit obligation at beginning of year	$ 15,431	$ 14,230
Service cost	281	313
Interest cost	837	923
Plan participants' contributions	52	67
Actuarial loss	1,268	10
Foreign currency exchange rate change	(1,920)	(60)
Benefits paid	(588)	(52)
Benefit obligation at end of year	$ 15,361	$ 15,431
Change in plan assets:		
Fair value of plan assets at beginning of year	$ 15,322	$ 14,081
Actual return on plan assets	(793)	1,049
Employer contributions	114	158
Plan participants' contributions	52	67
Benefits paid	(559)	(33)
Foreign currency exchange rate change	(1,710)	-
Fair value of plan assets at end of year	$ 12,426	$ 15,322
Funded status	$ (2,935)	$ (109)
Unrecognized actuarial loss (income)	2,720	(121)
Unrecognized prior service cost	205	243
Unrecognized net transition asset	(85)	(151)
Net amount recognized	$ (95)	$ (138)

Amounts Recognized in the Consolidated Balance Sheet

	JUNE 30, 2001	JUNE 30, 2000

	(DOLLARS IN THOUSANDS)	
Accrued pension cost, net	$ (3,106)	$ (138)
Intangible asset	208	-
Accumulated other comprehensive loss	2,803	-
Net amount recognized in balance sheet	$ (95)	$ (138)

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were $15.4 million, $14.9 million and $12.4 million, respectively, as of June 30, 2001, and $2.7 million, $2.7 million and $1.6 million, respectively, as of June 30, 2000.

Plan assets are comprised primarily of investments in managed funds consisting of common stock, money market and real estate investments.

The assumptions used to measure the present value of benefit obligations and net periodic benefit cost are shown in the following table:

Significant Assumptions

	JUNE 30,		
	2001	2000	1999
Discount rate	6.0% to 6.25%	6.0% to 6.25%	6.0% to 6.25%
Expected return on plan assets	5.75% to 6.0%	6.0%	6.0%
Compensation increase rate	3.5% to 4.5%	3.5% to 4.5%	3.5% to 4.5%

Components of Net Periodic Benefit Cost

	YEAR ENDED JUNE 30,		
	2001	2000	1999
Service cost	$ 281	$ 313	$ 336
Interest cost	837	923	886
Expected return on plan assets	(839)	(918)	(873)
Amortization of unrecognized net transition obligation	(63)	(69)	(69)
Amortization of unrecognized prior service benefit	22	24	25
Recognized actuarial loss	(30)	(27)	(51)
Net periodic benefit cost	$ 208	$ 246	$ 254

13. SEGMENT INFORMATION

For the years ended June 30, 2001 and 2000, Concurrent operated its business in two divisions: Real-Time and VOD. Its Real-Time division is a leading provider of high-performance, real-time computer systems, solutions and software for commercial and government markets focusing on strategic market areas that include hardware-in-the-loop and man-in-the-loop simulation, data acquisition, industrial systems, and software and embedded applications. Its VOD division is a leading supplier of digital video server systems to a wide range of industries serving a variety of markets, including the broadband/cable, hospitality, intranet/distance learning, and other related markets. Customer service and support revenues derived from VOD sales arrangements are included in Product Sales and are not material. Shared expenses are primarily allocated based on either revenues or headcount. There were no material intersegment sales or transfers. For the year ended June 30, 2001, one customer accounted for approximately 12% of the total Real-Time revenue and three customers accounted for approximately 84% of the total VOD revenue. There were no other customers that accounted for more than 10% of revenue for either division. The following summarizes the operating income (loss) by segment for the years ended June 30, 2001 and 2000, respectively. Corporate costs include costs related to the offices of the Chief Executive Officer, Chief Financial Officer, Investor

Relations and other administrative costs including annual audit and tax fees, board of director fees and similar costs.

	YEAR ENDED JUNE 30, 2001			
	REAL-TIME	VOD	CORPORATE	TOTAL
	(DOLLARS IN THOUSANDS)			
Revenues:				
Product sales	$ 25,740	$23,814	$ -	$49,554
Service and other	23,267	-	-	23,267
Total	49,007	23,814	-	72,821
Cost of sales:				
Systems	14,102	13,091	-	27,193
Service and other	12,608	-	-	12,608
Total	26,710	13,091	-	39,801
Gross margin	22,297	10,723	-	33,020
Operating expenses				
Sales and marketing	7,548	8,007	557	16,112
Research and development	3,493	8,086	-	11,579
General and administrative	1,748	2,635	6,537	10,920
Total operating expenses	12,789	18,728	7,094	38,611
Operating income (loss)	$ 9,508	$(8,005)	$ (7,094)	$(5,591)

YEAR ENDED JUNE 30, 2000

	REAL-TIME	VOD	CORPORATE	TOTAL
	(DOLLARS IN THOUSANDS)			
Revenues:				
Product sales	$ 27,122	$ 11,952	$ -	$ 39,074
Service and other	29,016	-	-	29,016
Total	56,138	11,952	-	68,090
Cost of sales:				
Systems	12,345	7,766	-	20,111
Service and other	16,236	-	-	16,236
Total	28,581	7,766	-	36,347
Gross margin	27,557	4,186	-	31,743
Operating expenses				
Sales and marketing	11,942	8,040	329	20,311
Research and development	4,173	5,602	-	9,775
General and administrative	1,879	1,861	5,537	9,277
Cost of purchased in-process research and development	-	14,000	-	14,000
Relocation and restructuring	1,208	1,159	-	2,367
Total operating expenses	19,202	30,662	5,866	55,730
Operating income (loss)	$ 8,355	$(26,476)	$ (5,866)	$(23,987)

Summarized financial information for fiscal year 2001 and 2000, respectively, is as follows:

	AS OF AND FOR THE YEAR ENDED JUNE 30, 2001			
	REAL-TIME	VOD	CORPORATE	TOTAL
	(DOLLARS IN THOUSANDS)			
Net sales	$ 49,007	$23,814	$ -	$72,821
Operating income (loss)	$ 9,508	$(8,005)	$ (7,094)	$(5,591)
Identifiable assets	$ 19,179	$31,880	$ 5,993	$57,052
Depreciation and amortization	$ 2,631	$ 2,746	$ 618	$ 5,995
Capital expenditures	$ 978	$ 2,536	$ 247	$ 3,761

	AS OF AND FOR THE YEAR ENDED JUNE 30, 2000			
	REAL-TIME	VOD	CORPORATE	TOTAL
	(DOLLARS IN THOUSANDS)			
Net sales	$ 56,138	$ 11,952	$ -	$ 68,090
Operating income (loss)	$ 8,355	$(26,476)	$ (5,866)	$(23,987)
Identifiable assets	$ 22,610	$ 28,909	$ 5,559	$ 57,078
Depreciation and amortization	$ 3,071	$ 2,259	$ 815	$ 6,145

Capital expenditures	$ 1,252	$ 2,286	$ 823	$ 4,361

The VOD division became a reportable segment during fiscal 2000. Revenues generated from VOD sales were $1.2 million for the year ended June 30, 1999. It is impracticable to attain operating income (loss), identifiable assets, depreciation and amortization and capital expenditures for the VOD division as of and for the year ended June 30, 1999 as Concurrent operated as one segment for that period.

14. EMPLOYEE STOCK PLANS

Concurrent has a Stock Option Plan providing for the grant of incentive stock options to employees and non-qualified stock options to employees, non-employee directors and consultants. The Stock Option Plan is administered by the Stock Award Committee comprised of members of the Compensation Committee of the Board of Directors or the Board of Directors, as the case may be. Under the plan, the Stock Award Committee may award, in addition to stock options, shares of Common Stock on a restricted basis. The plan also specifically provides for stock appreciation rights and authorizes the Stock Award Committee to provide, either at the time of the grant of an option or otherwise, that the option may be cashed out upon terms and conditions to be determined by the Committee or the Board. No stock appreciation rights have been granted during the years ended June 30, 2001, 2000, and 1999. Options issued under the Stock Option Plan generally vest over four years and are exercisable for ten years from the grant date. The plan terminates on January 31, 2002. Stockholders have approved the purchase of up to 13,500,000 shares under the plan.

Changes in options outstanding under the plan during the years ended June 30, 2001, 2000, and 1999 are as follows:

	2001		2000		1999	
	SHARES	WEIGHTED AVERAGE EXERCISE PRICE	SHARES	WEIGHTED AVERAGE EXERCISE PRICE	SHARES	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at beginning of year	5,681,521	$ 4.28	7,190,969	$ 2.56	5,852,794	$ 2.13
Granted	1,049,600	$ 12.03	1,763,419	$ 7.60	2,453,500	$ 3.51
Exercised	(1,140,333)	$ 3.17	(3,127,306)	$ 2.23	(884,283)	$ 2.02
Forfeited	(202,627)	$ 4.96	(145,561)	$ 3.91	(231,042)	$ 2.17
Outstanding at year end	5,388,161	$ 6.00	5,681,521	$ 4.28	7,190,969	$ 2.56
Options exercisable at year end	2,638,708		2,600,401		3,498,533	
Weighted average fair value of options granted during the year	$ 11.91		$ 5.62		$ 1.56	

Options with respect to 2,638,708 shares of Common Stock, with an average exercise price of $3.79 were exercisable at June 30, 2001. The weighted-average fair value of the stock options granted during 2001, 2000 and 1999 was $8,357,026, $4,715,526, and $1,870,148, respectively, on the date of grant using the Black Scholes option-pricing model. The weighted-average assumptions used were: expected dividend yield 0%, risk-free interest rate 5%, expected life of 6 years and an expected volatility of 206%, 106%, and 70% for the years ended June 30, 2001, 2000 and 1999, respectively.

The following table summarizes information about stock options outstanding and exercisable at June 30, 2001:

	OUTSTANDING OPTIONS			OPTIONS EXERCISABLE	
RANGE OF EXERCISE PRICES	WEIGHTED AVERAGE REMAINING CONTRACTUAL LIFE	AT JUNE 30, 2001	WEIGHTED AVERAGE EXERCISE PRICE	AT JUNE 30, 2001	WEIGHTED AVERAGE EXERCISE PRICE
$ 0.37 - $0.99	6.03	271,935	$ 0.42	271,935	$ 0.42
$ 1.00 - $1.99	5.28	149,365	1.50	149,365	1.50
$ 2.00 - $2.99	6.21	2,173,442	2.50	1,514,449	2.39
$ 3.00 - $3.99	6.17	5,233	3.19	5,233	3.19
$ 4.00 - $4.99	7.63	299,173	4.41	113,173	4.41
$ 5.00 - $5.99	7.71	288,100	5.06	173,937	5.03
$ 6.00 - $6.99	8.11	277,383	6.69	33,219	6.65
$ 7.00 - $7.99	9.52	149,700	7.02	21,767	7.04
$ 8.00 - $8.99	8.13	227,330	8.00	67,119	8.00
$ 10.00 - $10.99	8.37	544,500	10.12	173,174	10.12
$ 11.00 - $11.99	8.33	17,000	11.06	17,000	11.06
$ 12.00 - $12.99	9.20	787,500	12.40	-	-
$ 13.00 - $13.99	8.65	20,000	13.75	6,667	13.75
$ 17.00 - $17.99	9.18	35,000	17.84	-	-
$ 18.00 - $18.99	8.91	127,500	18.53	88,336	18.53
$ 19.00 - $19.99	8.88	15,000	19.48	3,334	19.63
	7.37	5,388,161	$ 6.00	2,638,708	$ 3.79

Concurrent applies APB Opinion No. 25 in accounting for its Plan and, accordingly, no compensation cost has been recognized for its stock options in the financial statements. Had Concurrent determined compensation cost based on the fair value at the grant date for its stock options under SFAS No. 123, Concurrent's net loss and net loss per share would have been increased to the pro forma amounts indicated below:

	YEAR ENDED JUNE 30,		
	2001	2000	1999
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)		
Net loss			
As reported	$ (6,189)	$(23,715)	$ (1,665)
Pro forma	$(14,546)	$(28,431)	$ (3,535)
Net loss per share - basic and diluted			
As reported	$ (0.11)	$ (0.46)	$ (0.03)
Pro forma	$ (0.27)	$ (0.55)	$ (0.07)

15. ISSUANCE AND ACCRUAL OF NON-CASH WARRANTS

On March 29, 2001, Concurrent entered into a definitive purchase agreement with Comcast Cable, providing for the purchase of VOD equipment. As part of that agreement Concurrent agreed to issue three different types of warrants.

Concurrent issued warrants to purchase 50,000 shares of its Common Stock on March 29, 2001, exercisable at $5.196 per share over a four year term. These warrants are referred to as the "Initial Warrants". Concurrent has recognized $224,000 in the consolidated statements of operations for the year ended June 30, 2001 as a reduction to revenue for the value of these warrants.

Concurrent is also generally obligated to issue new warrants to purchase shares of its Common Stock to Comcast at the end of each quarter through March 31, 2004, based upon specified performance goals which are measured by the number of Comcast basic cable subscribers that have the ability to utilize the VOD service. The incremental number of subscribers that have access to VOD at each quarter end as compared to the prior quarter end multiplied by a specified percentage is the number of additional warrants that were earned during the quarter. These warrants are referred to as the "Performance Warrants".

Concurrent will also issue additional warrants to purchase shares of its Common Stock, if at the end of any quarter the then total number of Comcast basic cable subscribers with the ability to utilize the VOD system exceeds specified threshold levels. These warrants are referred to as the "Cliff Warrants".

Concurrent is recognizing the value of the Performance Warrants and the Cliff Warrants over the term of the agreement as Comcast purchases additional VOD servers from Concurrent and makes the service available to its customers. Concurrent has recognized $433,000 in the consolidated statements of operations for the year ended June 30, 2001 as a reduction to revenue for the value of the Performance Warrants and Cliff Warrants that have been earned but not yet issued.

The value of the warrants is determined using the Black-Scholes option-pricing model. The weighted assumptions used were: expected dividend yield 0%, risk-free interest rate of 5.0%, expected life of 4 years and and an expected volatility of 138%. Concurrent will adjust the value of the earned but unissued warrants on a quarterly basis using the Black-Scholes option-pricing model until the warrants are actually issued. The value of the new warrants earned and any adjustments in value for warrants previously earned will be determined using the Black-Scholes option-pricing model and recognized as part of revenue on a quarterly basis.

The exercise price of the warrants is subject to adjustment for stock splits, combinations, stock dividends, mergers, and other similar recapitalization events. The exercise price is also subject to adjustment for

issuance of additional equity securities at a purchase price less than the then current fair market value of Concurrent's Common Stock. Based on the information that is currently available, Concurrent does not expect the warrants to be issued to Comcast to exceed 1% of its outstanding shares of Common Stock over the term of the agreement. The exercise price of the warrants to be issued to Comcast will equal the average closing price of Concurrent's Common Stock for the 30 trading days prior to the applicable warrant issuance date and will be exercisable over a four-year term.

On May 20, 1998, Concurrent entered into a Letter of Intent ("LOI") with Scientific-Atlanta, Inc. ("SAI") providing for the joint development and marketing of a video-on-demand system to cable network operators. A definitive agreement was signed on August 17, 1998. In exchange for SAI's technical and marketing contributions, Concurrent issued warrants for 2 million shares of its Common Stock, exercisable at $5 per share over a four-year term.

The LOI between Concurrent and SAI is broken into three phases:

Phase I Technical/Commercial Evaluation and Definitive Agreement
Phase II Initial Development and Video-on-Demand Field Demonstration System
Phase III Commercial Deployment

During Phase I, either party could terminate the negotiations at any time. In June 1998, the parties moved to Phase II and pursuant to the provisions of SFAS No. 123, Concurrent recorded a charge of $1.6 million representing the fair value of the underlying stock using the Black-Scholes option-pricing model for the warrants to purchase 2 million shares of Concurrent's stock. The weighted assumptions used were: expected dividend yield 0%, risk-free interest rate of 5.0%, expected life of 4.01years and an expected volatility of 35%.

The LOI further stipulates that Concurrent is required to issue additional warrants to SAI upon achievement of pre-determined revenue targets. These warrants are to be issued with a strike price of a 15% discount to the then current market price. The maximum number of additional warrants that could be issued under this agreement is 8 million upon achieving the revenue targets. Concurrent has recognized a charge of $398,000 and $322,000 in the consolidated statements of operations for the years ended June 30, 2001 and 2000, respectively, representing the fair market value of the warrants earned during each year.

16. RIGHTS PLAN

On July 31, 1992, the Board of Directors of Concurrent declared a dividend distribution of one Series A Participating Cumulative Preferred Right for each share of Concurrent's Common Stock and Convertible Preferred Stock. The dividend was made to stockholders of record on August 14, 1992. Under the rights plan, each Right becomes exercisable unless redeemed (1) after a third party owns 20% or more of the outstanding shares of Concurrent's voting stock and engages in one or more specified self-dealing transactions, (2) after a third party owns 30% or more of the outstanding voting stock or (3) following the announcement of a tender or exchange offer that would result in a third party owning 30% or more of Concurrent's voting stock. Any of these events would trigger the rights plan and entitle each right holder to purchase from Concurrent one one-hundredth of a share of Series A Participating Cumulative Preferred Stock at a cash price of $30 per right.

Under certain circumstances following satisfaction of third party ownership tests of Concurrent's voting stock, upon exercise each holder of a right would be able to receive Common Stock of Concurrent or its equivalent, or Common Stock of the acquiring entity, in each case having a value of two times the exercise price of the right. The rights will expire on August 14, 2002 unless earlier exercised or redeemed, or earlier termination of the plan.

17. BASIC AND DILUTED LOSS PER SHARE COMPUTATION

The following table presents a reconciliation of the numerators and denominators of basic and diluted loss per share for the periods indicated:

YEAR ENDED JUNE 30,

	2001	2000	1999
	(DOLLARS AND SHARE DATA IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)		
Basic EPS calculation:			
Net loss	$(6,189)	$(23,715)	$(1,665)
Weighted average number of shares outstanding	54,683	51,959	47,967
Basic EPS	$ (0.11)	$ (0.46)	$ (0.03)
Diluted EPS calculation:			
Net loss	$(6,189)	$(23,715)	$(1,665)
Weighted average number of shares outstanding	54,683	51,959	47,967
Incremental shares from assumed conversion of stock options	-	-	-
	54,683	51,959	47,967
Diluted EPS	$ (0.11)	$ (0.46)	$ (0.03)

18. CONCENTRATION OF RISK

A summary of Concurrent's financial data by geographic area follows:

	YEAR ENDED JUNE 30,		
	2001	2000	1999
	(DOLLARS IN THOUSANDS)		
Net sales:			
United States	$55,400	$ 44,049	$41,726
Intercompany	3,310	4,828	5,843
	58,710	48,877	47,569
Europe	7,572	12,545	17,453
Intercompany	-	34	344
	7,572	12,579	17,797
Asia/Pacific	9,128	10,399	9,519
Intercompany	-	21	53
	9,128	10,420	9,572
Other	721	1,097	1,265
	76,131	72,973	76,203
Eliminations	(3,310)	(4,883)	(6,240)
Total	$72,821	$ 68,090	$69,963

Operating income (loss):			
United States	$(5,608)	$ 23,278)	$(2,146)
Europe	(448)	(1,084)	72
Asia/Pacific	155	47	560
Other	174	308	149
Eliminations	136	20	76
Total	$(5,591)	$(23,987)	$(1,289)

	JUNE 30,	
	2001	2000
	(DOLLARS IN THOUSANDS)	
Identifiable assets:		
United States	$ 82,702	$ 74,949
Europe	10,138	11,450
Asia/Pacific	12,919	15,039
Other	474	831
Eliminations	(49,181)	(45,191)
Total	$ 57,052	$ 57,078

Intercompany transfers between geographic areas are accounted for at prices similar to those available to comparable unaffiliated customers. Sales to unaffiliated customers outside the U.S., including U.S. export sales, were $18,354,000, $24,585,000, and $29,058,000 for the years ended June 30, 2001, 2000 and 1999, respectively, which amounts represented 25%, 36%, and 42% of total sales for the respective fiscal years.

Sales to the U.S. Government and its agencies amounted to approximately $16,063,000, $18,455,000 and $23,053,000 for the years ended June 30, 2001, 2000 and 1999, respectively, which amounts represented 22%, 27% and 33% of total sales for the respective fiscal years. Sales to two commercial customers amounted to approximately $8,962,000 or 12% of total sales and $8,072,000 or 11% of total sales, respectively, for the year ended June 30, 2001. Sales to one commercial customer amounted to $7,934,000 or 12% of total sales for the year ended June 30, 2000. There were no other customers during fiscal years 2001 or 2000 representing more than 10% of total revenues.

Concentration of credit risk with respect to trade receivables is limited due to the large number of customers comprising Concurrent's customer base. Ongoing credit evaluations of customers' financial condition are performed and collateral is generally not required.

19. QUARTERLY CONSOLIDATED FINANCIAL INFORMATION (UNAUDITED)

The following is a summary of quarterly financial results for the years ended June 30, 2001 and 2000:

THREE MONTHS ENDED

2001	SEPTEMBER 30, 2000	DECEMBER 31, 2000	MARCH 31, 2001	JUNE 30, 2001
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
Net sales	$ 16,312	$ 14,533	$ 22,081	$ 19,895
Gross margin	$ 7,591	$ 6,662	$ 10,210	$ 8,557
Operating income (loss)	$ (1,580)	$ (3,997)	$ 675	$ (689)
Net income (loss)	$ (1,794)	$ (4,158)	$ 571	$ (808)
Net income (loss) per share	$ (0.03)	$ (0.08)	$ 0.01	$ (0.01)

	THREE MONTHS ENDED			
2000	SEPTEMBER 30, 1999	DECEMBER 31, 1999	MARCH 31, 2000	JUNE 30, 2000
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)			
Net sales	$ 15,684	$ 16,922	$ 17,020	$ 18,464
Gross margin	$ 7,640	$ 7,753	$ 7,790	$ 8,560
Operating loss (a)	$ (3,105)	$ (16,660)	$ (2,330)	$ (1,892)
Net loss (a)	$ (2,551)	$ (16,775)	$ (2,446)	$ (1,943)
Net loss per share	$ (0.05)	$ (0.33)	$ (0.05)	$ (0.04)

<FN>
(a) Operating loss and net loss for the three months ended December 31, 1999 include a $14.0 million write-off of in-process research and development related to the acquisition of Vivid Technology (see Note 3).

20. COMMITMENTS AND CONTINGENCIES

Concurrent leases certain sales and service offices, warehousing, and equipment under various operating leases. The leases expire at various dates through 2006 and generally provide for the payment of taxes, insurance and maintenance costs. Additionally, certain leases contain escalation clauses which provide for increased rents resulting from the pass through of increases in operating costs, property taxes and consumer price indexes. Furniture and equipment with a cost of $409,000 at June 30, 2001 was acquired under a capital lease arrangement.

At June 30, 2001, future minimum lease payments for the years ending June 30 are as follows:

	CAPITAL LEASES	OPERATING LEASES	TOTAL
	(DOLLARS IN THOUSANDS)		
2002	$ 101	$ 2,654	$2,755
2003	101	2,174	2,275
2004	101	1,474	1,575
2005	51	898	949
2006 and thereafter	-	707	707
	354	$ 7,907	$8,261
Amount representing interest	(50)		
Present value of minimum capital lease payments	$ 304		

Rent expense under all operating leases amounted to $3,166,000, $3,906,000 and $3,937,000 for the years ended June 30, 2001, 2000 and 1999, respectively.

Concurrent, from time to time, is involved in litigation incidental to the conduct of its business. Concurrent and its counsel believe that such pending litigation will not have a material adverse effect on Concurrent's results of operations or financial condition.

Concurrent has entered into employment agreements with its executive officers. In the event an executive officer is terminated directly by Concurrent without cause or in certain circumstances constructively by Concurrent, the terminated officer will be paid severance compensation in an annualized amount equal to the respective officer's annual salary then in effect plus an amount equal to the then most recent annual bonus paid or target bonus paid or, if determined, payable, to such officer. At June 30, 2001, the maximum contingent liability under these agreements is approximately $1.5 million. Concurrent's employment agreements with certain of its officers contain certain offset provisions, as defined in their respective agreements.

21. NEW ACCOUNTING PRONOUNCEMENTS

In June 2001, the Financial Accounting Standards Board issued Statements No. 141, Business Combinations, and No. 142 ("FAS 142"), Goodwill and other Intangible Assets. Under FAS 142, goodwill and intangible assets with indefinite lives will no longer be amortized but will be subject to annual impairment tests. Other intangible assets will continue to be amortized over their useful lives. FAS 142 is effective for fiscal years beginning after December 15, 2001. As permitted, Concurrent will early-adopt the statement as of July 1, 2001, the beginning of its fiscal year. Application of the new amortization provisions of FAS 142 is expected to increase Concurrent's net income by approximately $1.3 million ($0.02 per share) in years subsequent to fiscal year 2001. At June 30, 2001, goodwill amounted to $10.7 million and goodwill amortization expense was

$1,281,000 in fiscal 2001, $854,000 in fiscal 2000 and $0 in fiscal 1999. During fiscal 2002, Concurrent will perform the first of the required impairment tests of goodwill and indefinite lived intangible assets as of July 1, 2001. Until those tests are performed and other transitional issues are finalized, Concurrent cannot estimate what the effect of the initial adoption of the statements will have on its earnings and financial position.

22. SUBSEQUENT EVENT

In July 2001, Concurrent issued 5,400,000 shares of Common Stock in a private placement. The net proceeds from the private placement were approximately $24.0 million. The resale of the shares was registered under a resale registration statement filed with the Securities and Exchange Commission and declared effective on July 19, 2001.

SCHEDULE II

CONCURRENT COMPUTER CORPORATION

VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED JUNE 30, 2001, 2000, AND 1999
(DOLLARS IN THOUSANDS)

DESCRIPTION	BALANCE AT BEGINNING OF YEAR	CHARGED TO COSTS AND EXPENSES	DEDUCTIONS (A)	OTHER	BALANCE AT END OF YEAR
Reserves and allowances deducted from asset accounts:					
2001					
Reserve for inventory obsolescence and shrinkage	$ 4,034	$ 1,712	$ (2,265)	$ -	$ 3,481
Allowance for doubtful accounts	484	590	(214)	-	860
Warranty accrual	668	780	(471)	-	977
2000					
Reserve for inventory obsolescence and shrinkage	$ 4,568	$ 550	$ (1,084)	$ -	$ 4,034
Allowance for doubtful accounts	418	289	(223)	-	484
Warranty accrual	-	668	-	-	668
1999					
Reserve for inventory obsolescence and shrinkage	$ 4,600	$ 1,087	$ (1,119)	$ -	$ 4,568
Allowance for doubtful accounts	503	19	(104)	-	418

<FN>
(a) Charges and adjustments to the reserve accounts for write-offs and credits issued during the year.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CONCURRENT COMPUTER CORPORATION

By: /s/ Jack A. Bryant

Jack A. Bryant
President and Chief Executive Officer

Date: September 4, 2001

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the following persons on behalf of Registrant and in the capacities indicated on September 4, 2001.

NAME	TITLE
/s/ Steve G. Nussrallah Steve G. Nussrallah	Chairman of the Board and Director
/s/ Jack A. Bryant Jack A. Bryant	President, Chief Executive Officer and Director (Principal Executive Officer)

/s/ Steven R. Norton ------------------------------ Steven R. Norton	Executive Vice President, Chief Financial Officer and Secretary (Principal Financial and Accounting Officer)
/s/ Alex B. Best ------------------------------ Alex B. Best	Director
/s/ Michael A. Brunner ------------------------------ Michael A. Brunner	Director
/s/ Morton E. Handel ------------------------------ Morton E. Handel	Director
/s/ Bruce N. Hawthorne ------------------------------ Bruce N. Hawthorne	Director
/s/ C. Shelton James ------------------------------ C. Shelton James	Director
/s/ Richard P. Rifenburgh ------------------------------ Richard P. Rifenburgh	Director

Exhibit 10.9

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT, made and entered into as of the 13th day of December, 2000 by and between CONCURRENT COMPUTER CORPORATION, a Delaware corporation ("Concurrent" or the "Company"), and Paul Meyer (the "Employee").

W I T N E S S E T H :

WHEREAS, the Company desires to employ the Employee and the Employee desires to accept such employment with the Company;

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and for other good and valuable consideration, the parties agree as follows:

1. Employment

The Company hereby employs the Employee and the Employee hereby accepts employment with the Company for the term set forth in Section 2 below, in the position and with the duties and responsibilities set forth in Section 3 below, and upon other terms and conditions hereinafter stated.

2. Term

The term of employment hereunder shall commence on the date hereof and shall continue until otherwise terminated by either party at any time in accordance with the terms hereof.

3. Position; Duties; Responsibilities

3.1 It is intended that at all times during the term of employment hereunder, the Employee shall serve as President - Real-Time Division reporting to the Chief Executive Officer of the Company (the "Chief Executive Officer") or in a similar executive officer capacity in the event that this position is eliminated due to consolidation or sale of the Division. The Employee agrees to perform such senior executive officer and managerial services customary to such position as are necessary to the operations of the Company and as may be assigned to him from time to time by the Chief Executive Officer or by the Company's Board of Directors (the "Board of Directors").

3.2 Throughout the term of employment hereunder, the Employee shall devote his full time and undivided attention during normal business hours to the business and affairs of the Company, as appropriate to his responsibilities and duties hereunder, except for reasonable vacations and illness or other disability

4. Compensation

4.1 Salary

For services rendered by the Employee during the term of employment hereunder, the Employee shall be paid a salary, payable in equal biweekly installments (or, if different, payable in accordance with the then existing applicable payroll policy of the Company, but in no event less frequently than equal monthly installments) at an annualized rate of no less than $190,000.00, such salary to be reviewed for increase annually with such increases, if any, as shall be awarded taking into account such factors as corporate and individual performance and general business conditions.

4.2 Annual Bonus Opportunity

During the term of employment hereunder, the Employee will be provided an annual bonus opportunity in a target amount of 50% of base salary (pro-rated based on the Employee''s start date). The objectives for each year and other terms and conditions of the bonus opportunity shall be established by the Board of Directors or a committee thereof and shall be reasonably consistent with the business plan of the Company for such year established in advance. The Fiscal 2001 bonus opportunity for Employee shall be based 80% on the performance of the Real-Time Division compared to Annual Operating Plan and 20% on the performance of the VOD Division compared to Annual Operating Plan.

4.3 Employee Benefit Plans

During the term of employment hereunder, the Employee will be eligible to participate in all employee benefit programs of the Company now or hereafter made available to senior executives, in accordance with the provisions thereof as in effect from time to time. In any event, the Employee shall be entitled to vacation days at the rate of three weeks per calendar year or such greater amount as may be provided by Company policies in effect from time to time.

4.4 Stock Options

Employee has initially been granted an option to purchase 30,000 shares of the Company''s common stock. The per share exercise price of the option is the fair market value of the Company''s common stock at the close of business on the Employees start date and the option vests over a 4 year term at the rate of 25% on each of the employees first 4 anniversary dates. The remaining terms and conditions of this grant are as provided in the Company's Stock Option Plan.

4.5 Business Expense Reimbursements

During the term of employment hereunder, the Employee will be entitled to receive reimbursement by the Company for all reasonable out-of-pocket expenses incurred by him (in accordance with the policies and procedures established by the Company for its senior level executives), in connection with his performing services hereunder.

5. Consequences of Termination of Employment

5.1 Death

In the event of the death of the Employee during the term of employment hereunder, the estate or other legal representatives of the Employee shall be entitled to continuation of the salary provided for in Section 4.1 for a period of 6 months from the date of the Employee's death, at the rate in effect at such date.

5.2 Continuing Disability

Notwithstanding anything in this Agreement to the contrary, the Company is hereby given the option to terminate the Employee's employment in the event of the Employee's Continuing Disability. Such option shall be exercised by the Company by giving notice to the employee of the Company's intention to terminate his employment due to Continuing Disability not earlier than 15 days from the receipt of such notice.

In the event of the termination of the Employee's employment due to Continuing Disability, the Employee shall be entitled to compensation in accordance with the terms of all disability plan(s) made available to the Employee in which he is a participant at the time of such termination, if any; provided, however, that for a period of 6 months from such date of termination, the Employee shall receive an amount at least equal to the salary provided for in Section 4.1 above, at the rate in effect at the time of such termination, to the extent not provided under any such disability plan. Other rights and benefits under employee benefit plans and programs of the Company, generally, will be determined in accordance with the terms and provisions of such plans and programs.

For purposes hereof, Continuing Disability shall mean the inability to perform the essential functions connected with the Employee's duties hereunder, with or without reasonable accommodation, which inability shall have existed for a period of 250 days, even though not consecutive, in any 24 month period. In the event the Employee does not agree with the Company that his inability may reasonably be expected to exist for such period, the opinion of a qualified medical doctor selected by the Employee and reasonably satisfactory to the Company shall be determinative.

If, following a termination of employment hereunder due to Continuing Disability, the Employee becomes otherwise employed (whether as an employee, consultant or otherwise, but not solely as a member of a board of

directors), any salary or other benefits earned by him from such employment shall be offset against any disability compensation or salary continuation due hereunder.

5.3 Termination by the Company for Due Cause

Nothing herein shall prevent the Company from terminating the employment of the employee for Due Cause. The Employee shall continue to receive salary and any accrued and due bonus payments provided for herein only through the period ending with the date of such termination and any other rights and benefits he may have under employee benefit plans and programs of the Company, generally, shall be determined in accordance with the terms of such plans and programs. The term "Due Cause", as used herein, shall mean that (a) the Employee has committed a willful serious act, such as embezzlement, against the Company intended to enrich himself at the expense of the Company or has been convicted of a felony involving moral turpitude or (b) the Employee has (i) willfully and grossly neglected his duties hereunder or (ii) intentionally failed to observe specific directives or policies of the Board of Directors or CEO, which directives or policies were consistent with his positions, duties and responsibilities hereunder, and which failure had, or continuing failure will have, a material adverse effect on the Company. Prior to any such termination, the Employee shall be given written notice by the Board of Directors or CEO that the Company intends to terminate his employment for Due Cause under this Section 5.3, which written notice shall specify the particular acts or omissions on the basis of which the Company intends to so terminate the Employee's employment, and the Employee (with his counsel, if he so chooses) shall be given the opportunity, within 15 days of his receipt of such notice, to have a meeting with the Board of Directors to discuss such acts or omissions and given reasonable time to remedy the situation, if it is deemed by the Board of Directors, in their good faith business judgment, to be remediable. In the event of such termination, the Employee shall be promptly furnished written specification of the basis therefor in reasonable detail.

5.4 Termination by the Company other than for Due Cause

The foregoing notwithstanding, the Company may terminate the Employee's employment for whatever reason it deems appropriate; provided, however, that in the event such termination is not based on death or disability as provided in Sections 5.1 or 5.2, above, or on Due Cause as provided in Section 5.3 above, the Employee will be entitled to receive Severance Compensation (as defined below) for a period of 12 months from the date of such termination.

For purposes of the foregoing, Severance Compensation shall consist of salary continuation, payable in equal biweekly installments (or, if different, payable in accordance with the then existing applicable payroll policy of the Company, but in no event less frequently than equal monthly installments), at the rate in effect, pursuant to Section 4.1 above, immediately prior to such termination.

During the period beginning with the Employee's termination and continuing through the period for which Severance Compensation is paid hereunder, the Company will use its best efforts to continue the Employee's existing coverage under its group life insurance, hospitalization, medical and dental plans. To the extent he is not eligible under the terms of one or more of such plans and programs, the Company will provide the Employee with the economic equivalent for the 12 month period during which Severance Compensation is paid hereunder. For this purpose, "economic equivalent" shall mean the cost the Employee would incur if he were to provide himself with a benefit comparable to the reduced or eliminated benefit. The amount paid to the Employee as the economic equivalent, less the amount of the premium payment which is the Employee''s responsibility in accordance with the Company benefit plan, will be "grossed-up", if taxable (that is, the amount necessary to make the Employee whole after taking into account (i) the cost of the benefit and (ii) additional income taxes, if any, incurred by the employee on amounts paid to him pursuant to this sentence)).

The foregoing notwithstanding, upon a termination triggering Severance Compensation payments hereunder the Company shall be under no obligation to continue the Employee's coverage under any long term disability plan or program; and the date of such termination shall be considered a termination for purposes of participation in the Company's Retirement Savings Plan.

Except as specifically set forth in this Section 5.4, the Employee shall not be entitled to any other compensation or benefits following a termination of employment by the Company as provided in this Section 5.4.

5.5 Constructive Termination of Employment by the Company without Due Cause

Anything herein to the contrary notwithstanding, if the Company:

(A) demotes or otherwise elects or appoints the Employee to a lesser office than set forth in Section 3.1 or fails to elect or appoint him to such position;

(B) causes a material change in the nature or scope of the authorities, powers, functions, duties or responsibilities attached to the Employee's position as described in Section 3.1;

(C) decreases the Employee's salary or annual bonus opportunity below the levels provided for by the terms of Sections 4.1 and 4.2 (taking into account any salary increases made from time to time in accordance with Section 4.1);

(D) materially reduces the Employee's benefits under any employee benefit plan, program, or arrangement of the Company (other than a change that affects all employees similarly situated) from the level in effect upon the Employee's commencement of participation; or

(E) commits any other material breach of this Agreement,

then such action (or inaction) by the Company, unless consented to in writing by the Employee, shall constitute a termination of the Employee's employment by the Company other than for Due Cause pursuant to Section 5.4 above. If, within thirty (30) days of learning of the action (or inaction) described herein as a basis for a constructive termination of employment, the Employee (unless he has given written consent thereto) notifies the Company in writing that he wishes to effect a constructive termination of his employment pursuant to this Section 5.5, and such action (or inaction) is not reversed or otherwise remedied by the Company within 30 days following receipt by the Company of such written notice, then effective at the end of such second 30 day period, the employment of the Employee hereunder shall be deemed to have terminated pursuant to Section 5.4 above.

5.6 Voluntary Termination by Employee

In the event the Employee terminates his employment of his own volition (other than as provided in Section 5.5 above), such termination shall constitute a voluntary termination and in such event the Employee shall be limited to the same rights and benefits as provided in connection with termination for Due Cause under the second sentence of Section 5.3 above. For the purposes hereof, a decision by the Employee to voluntarily retire shall constitute a voluntary termination.

6. Protective Agreement

Concurrently with entering into this Agreement, the Employee will enter into a Protective Agreement in favor of the Company substantially in the form attached as Exhibit A hereto (the "Protective Agreement").

7. Successors and Assigns

7.1 Assignment by the Company

This Agreement shall be binding upon and inure to the benefit of the Company or any corporation or other entity to which the Company may transfer all or substantially all its assets and business and to which the Company may assign this Agreement, in which case "Company" as used herein shall mean such corporation or other entity.

7.2 Assignment by the Employee

The Employee may not assign this Agreement or any part thereof without the prior written consent of the Company, which consent may be withheld by the Company for any reason it deems appropriate; provided, however, nothing herein shall preclude the Employee from designating one or more beneficiaries to receive any amount that may be payable following the occurrence of his legal incompetency or his death and shall not preclude the legal representative of his estate from assigning any right hereunder to the person or persons entitled

thereto under his will or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to his estate. The term "beneficiaries", as used in this Agreement, shall mean a beneficiary or beneficiaries so designated to receive any such amount or if no beneficiary has been so designated the legal representative of the Employee (in the event of his incompetency) or the Employee's estate.

8. Arbitration

Any dispute or controversy arising out of, in connection with, or relating to this Agreement or the Employee's employment by the Company or its termination shall be settled exclusively by arbitration in Atlanta, Georgia by one arbitrator in accordance with the employment arbitration rules of the American Arbitration Association then in effect; provided, however, that this arbitration agreement shall not preclude the Company from seeking to enforce the Protective Agreement in any court of competent jurisdiction without resort to arbitration. The arbitrator's award may include the manner in which fees of counsel and other expenses in connection with the dispute or controversy are to be borne by the parties. The arbitrator's authority and jurisdiction is limited to interpreting and applying the express provisions of this Agreement and the arbitrator shall not have the authority to alter or add to the provisions of this Agreement. Judgment may be entered upon the arbitrator's award in any court of competent jurisdiction.

9. Governing Law

This Agreement shall be deemed a contract made under, and for all purposes shall be construed in accordance with, the laws of the State of Georgia (without reference to the principles of conflicts of law).

10. Entire Agreement

This Agreement, including the Protective Agreement, contains all the understandings and representations between the parties hereto pertaining to the subject matter hereof and supersedes all undertakings and agreements, whether oral or in writing, if any there be, previously entered into by them with respect thereto.

11. Amendment or Modification; Waiver

No provision in this Agreement may be amended or waived unless such amendment or waiver is agreed to in writing, signed by the Employee and an officer of the Company thereunto duly authorized. Except as otherwise specifically provided in the Agreement, no waiver by any party hereto of any breach by another party hereto of any condition or provision of the Agreement to be performed by such other party shall be deemed a waiver of a similar or dissimilar provision or condition at the same or any prior or subsequent time.

12. Notices

Any notice to be given hereunder shall be in writing and delivered personally or sent by certified mail, postage prepaid, return receipt requested, addressed to the party concerned at the address indicated below or to such other address as such party may subsequently give notice of hereunder in writing:

COMPANY: Concurrent Computer Corporation
4375 River Green Parkway
Duluth, GA 30096
Attn: Chief Executive Officer

With a copy to:

King & Spalding
191 Peachtree Street
Atlanta, GA 30303-1763
ATTN: Jack Capers

EMPLOYEE: Paul Meyer
2753 Whitlock Drive
Darien, IL 60561

13. Severability

In the event that any provision or portion of this Agreement shall be determined to be invalid or unenforceable for any reason, the remaining provisions or portions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the fullest extent permitted by law.

14. Withholding

Anything to the contrary notwithstanding, all payments required to be made by the Company hereunder to the Employee or his estate or beneficiaries, shall be subject to withholding of such amounts relating to taxes as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation. In lieu of withholding such amounts, in whole or in part, the Company may, in its sole discretion, accept other provision for payment of taxes as required by law, provided it is satisfied that all requirements of law affecting its responsibilities to withhold such taxes have been satisfied.

15. Survivorship

The respective rights and obligations of the parties hereunder shall survive any termination of this Agreement to the extent necessary to the intended preservation of such rights and obligations.

16. References

In the event of the Employee's death or judicial determination of his incompetence, reference in this Agreement to the Employee shall be deemed, where appropriate, to refer to his legal representatives, or, where appropriate, to his beneficiary or beneficiaries.

17. Titles

Titles to the sections in this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the title of any section.

18. Counterparts

This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first above written.

CONCURRENT COMPUTER CORPORATION

By:

Jack Bryant
President and CEO

EMPLOYEE

Paul Meyer

Exhibit A

PROTECTIVE AGREEMENT

I, the undersigned, in consideration of and as a condition to my employment by Concurrent Computer Corporation (the "Company), do hereby agree with the Company as follows:

1. Noncompete and Nonsolicitation of Customers or Employees. During my employment by the Company, I will devote my full time and best efforts to the business of the Company and I will not, directly or indirectly, alone or as a partner, officer, director, employee or holder of more than 5% of the common stock of any other organization, engage in any business activity which competes directly or indirectly with the products or services being developed, manufactured or sold by the Company. I also agree that, following any termination of such employment, I will not, directly or indirectly, for any period in which I receive severance payments from the Company, plus one (1) year, (a) engage in or provide any services substantially similar to the services that I provided to the Company at any time during the last twelve (12) months of my employment to or on behalf of any person or entity that competes with the Company in the "real time" or "video-on-demand" businesses anywhere in the continental United States, which I acknowledge and agree is the primary geographic area in which the Company competes in these businesses and thus, by virtue of my senior executive position and responsibilities with the Company, also the primary geographic area of my employment with the Company, (b) solicit or attempt to solicit, for the purpose of competing with the Company in its "real time" or "video-on-demand" businesses, any customers or active prospects of the Company with which I had any material business contact for or on behalf of the Company at any time during the last twelve (12) months of my employment, or (c) recruit or otherwise seek to induce any employees of the Company to terminate their employment or violate any agreement with the Company.

2. Trade Secrets and Other Confidential Information. Except as may be required in the performance of my duties with the Company, or as may be required by law, I will not, whether during or after termination of my employment with the Company, reveal to any person or entity or use any of the trade secrets of the Company for as long as they remain trade secrets. I also agree to these same restrictions, during my employment with the Company and for a period of three (3) years thereafter, with respect to all other confidential information of the Company, including its technical, financial and business information, unless such confidential information becomes publicly available through no fault of mine or unless it is disclosed by the Company to third parties without similar restrictions.

Further, I agree that any and all documents, disks, databases, notes, or memoranda prepared by me or others and containing trade secrets or confidential information of the Company shall be and remain the sole and exclusive property of the Company, and that upon termination of my employment or prior request of the Company I will immediately deliver all of such documents, disks, databases, notes or memoranda, including all copies, to the Company at its main office.

3. Inventions and Copyrights. If at any time or times during my employment (or within six (6) months thereafter if based on trade secrets or confidential information within the meaning of Paragraph 2 above), I make or discover, either alone or with others, any invention, modification, development, improvement, process or secret, whether or not patented or patentable (collectively, "inventions") in the field of computer science or instrumentation, I will disclose in reasonable detail the nature of such invention to the Company in writing, and if it relates to the business of the Company or any of the products or services being developed, manufactured or sold by the Company, such invention and the benefits thereof shall immediately become the sole and absolute property of the Company provided the Company notifies me in reasonable detail within ninety (90) days after receipt of my disclosure of such invention that it believes such invention relates to the business of the Company or any of the products or services being developed, manufactured or sold by the Company. I also agree to transfer such inventions and benefits and

rights resulting from such inventions to the Company without compensation and will communicate without cost, delay or prior publications all available information relating to the inventions to the Company. At the Company's expense I will also, whether before or after termination of my employment, sign all documents (including patent applications) and do all acts and things that the Company may deem necessary or desirable to effect the full assignment to the Company of my right and title to the inventions or necessary to defend any opposition thereto. I also agree to assign to the Company all copyrights and reproduction rights to any materials prepared by me in connection with my employment.

4. Conflicting Agreements. I represent that I have attached to this Agreement a copy of any written agreement, or a summary of any oral agreement, which presently affects my ability to comply with the terms of this Agreement, and that to the best of my knowledge my employment with the Company will not conflict with any agreement to which I am subject. I have returned all documents and materials belonging to any of my former employers. I will not disclose to the Company or induce any of the Company's employees to use trade secrets or confidential information of any of my former employers.

5. Miscellaneous.

(a) I hereby give the Company permission to use photographs of me, during my employment, with or without using my name, for any reasonable business purposes the Company deems necessary or desirable.

(b) The Company shall have, in addition to any and all remedies of law, the right to an injunction, specific performance and other equitable relief as may be appropriate to prevent the violation of my obligations hereunder.

(c) I understand that this Agreement does not create an obligation on the Company or any other person to continue my employment for any period of time.

(d) This Agreement shall be construed in accordance with the laws of the State of Georgia. I agree that each provision of this Agreement shall be treated as a separate and independent clause, and the unenforceability of any clause shall in no way impair the enforceability of any of the other clauses.

Moreover, if one or more of the provisions contained in this Agreement shall for any reason be held to be extensively broad as to scope, activity, time, geographical area or subject so as to be unenforceable at law, such provision or provisions shall be construed by the appropriate judicial body by limiting and reducing it or them so as to be enforceable to the maximum extent compatible with applicable law as it shall then appear.

(e) My obligations under this Agreement shall survive the termination of my employment regardless of the manner of such termination for the time periods set forth in this Agreement, and shall be binding upon my heirs, executors and administrators.

(f) The term "Company" as used in this Agreement includes Concurrent Computer Corporation and any of its subdivisions or affiliates. The Company shall have the right to assign this Agreement to its successors and assigns.

(g) The foregoing is the entire agreement between the Company and me with regard to its subject matter, and may not be amended or supplemented except by a written instrument signed by both the Company and me. The section headings are inserted for convenience only, and are not intended to affect the meaning of this Agreement.

Paul Meyer

Exhibit 10.15

FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT

THIS FIRST AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "Amendment") is made and entered into this 28th day of March, 2001, by and between CONCURRENT COMPUTER CORPORATION, a Delaware corporation (hereinafter referred to as "Borrower") with its chief executive office and principal place of business at 4375 River Green Parkway, Duluth, Georgia 30096, and WACHOVIA BANK, N.A., a national banking association (hereinafter referred to as "Lender") with an office at 191 Peachtree Street, Atlanta, Georgia 30303.

RECITALS:

Lender and Borrower are parties to a certain Loan and Security Agreement dated November 3, 2000 (the "Loan Agreement"), pursuant to which Lender has made certain loans and other financial accommodations to Borrower.

The parties desire to amend the Loan Agreement as hereinafter set forth.

NOW, THEREFORE, for TEN DOLLARS ($10.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby severally acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. DEFINITIONS. All capitalized terms used in this Amendment, unless otherwise defined herein, shall have the meaning ascribed to such terms in the Loan Agreement.

2. AMENDMENTS TO LOAN AGREEMENT. The Loan Agreement is hereby amended as follows:

(a) By adding a new subsection 10.22 to Section 10 of the Loan Agreement that reads as follows:

> 10.22. DIVISION REPORTS. Borrower shall as soon as practicable, but in any event on or before fifteen (15) days after the end of each calendar month, furnish or cause to be furnished to Lender a written status report, certified by a duly authorized officer of Borrower, showing the progress of the Xstreme Division and Real-Time Division, including sales during such period and current forecasted sales.

(b) By deleting Covenant (E) of Supplement A to the Loan Agreement and by substituting in lieu thereof the following:

> (E) CONSOLIDATED EBITDA (XSTREME DIVISION). Maintain Consolidated EBITDA of the Xstreme Division as of the last day of each period set forth below of at least the amounts set forth below for the periods applicable thereto:

Period	Amount
July 1, 2000 through March 31, 2001	($ 8,100,000)
July 1, 2000 through June 30, 2001	($ 8,500,000)

For the Four Fiscal Quarters ending September 30, 2001	($ 3,750,000)
For the Four Fiscal Quarters ending December 30, 2001	$ 200,000
For the Four Fiscal Quarters ending March 31, 2002	$ 4,600,000
For the Four Fiscal Quarters ending June 30, 2002	$ 9,100,000

3. AMENDMENT FEE. To induce Lender to enter into this Amendment, Borrower covenants and agrees that, simultaneously with the execution and delivery of this Amendment, Borrower shall pay to Lender an amendment fee in the amount of $5,000, in immediately available funds.

4. LIMITED WAIVER OF DEFAULT. Events of Default have occurred and currently exist under the Loan Agreement as a result of Borrower's breach of Section 12 of the Loan Agreement and Covenants (A) and (E) of Supplement A attached thereto (the "Designated Defaults"). The Designated Defaults exist because of Borrower's failure to maintain a Consolidated EBITDA of at least ($2,500,000) as of December 31, 2000 and a Consolidated EBITDA of the Xstreme Division of at least ($5,000,000) as of December 31, 2000. Borrower represents and warrants that the Designated Defaults are the only Default Conditions or Events of Default that exists under the Loan Agreement and the other Loan Documents as of the date hereof. Lender hereby waives the Designated Defaults in existence on the date hereof. In no event shall such waiver be deemed to constitute a waiver of (a) any Default Condition or Event of Default other than the Designated Defaults in existence on the date of this Amendment or (b)

Borrower's obligation to comply with all of the terms and conditions of the Loan Agreement and the other Loan Documents from and after the date hereof. Notwithstanding any prior, temporary mutual disregard of the terms of any contracts between the parties, Borrower hereby agrees that it shall be required strictly to comply with all of the terms of the Loan Documents on and after the date hereof.

5. RATIFICATION AND REAFFIRMATION. Borrower hereby ratifies and reaffirms the Obligations, each of the Loan Documents and all of Borrower's covenants, duties, indebtedness and liabilities under the Loan Documents.

6. ACKNOWLEDGMENTS AND STIPULATIONS. Borrower acknowledges and stipulates that the Loan Agreement and the other Loan Documents executed by Borrower are legal, valid and binding obligations of Borrower that are enforceable against Borrower in accordance with the terms thereof; all of the Obligations are owing and payable without defense, offset or counterclaim (and to the extent there exists any such defense, offset or counterclaim on the date hereof, the same is hereby waived by Borrower); the security interests and liens granted by Borrower in favor of Lender are duly perfected, first priority security interests and liens; and the unpaid principal amount of the Advances on and as of March 28, 2001, totaled $0.

7. REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, to induce Lender to enter into this Amendment, that no Default Condition or Event of Default exists on the date hereof other than the Designated Defaults; the execution, delivery and performance of this Amendment have been duly authorized by all requisite corporate action on the part of Borrower and this Amendment has been duly executed and delivered by Borrower; and all of the

representations and warranties made by Borrower in the Loan Agreement are true and correct on and as of the date hereof.

8. REFERENCE TO LOAN AGREEMENT. Upon the effectiveness of this Amendment, each reference in the Loan Agreement to "this Agreement," "hereunder," or words of like import shall mean and be a reference to the Loan Agreement, as amended by this Amendment.

9. BREACH OF AMENDMENT. This Amendment shall be part of the Loan Agreement and a breach of any of any representation, warranty or covenant herein shall constitute an Event of Default.

10. EXPENSES OF LENDER. Borrower agrees to pay, ON DEMAND, all costs and expenses incurred by Lender in connection with the preparation, negotiation and execution of this Amendment and any other Loan Documents executed pursuant hereto and any and all amendments, modifications, and supplements thereto, including, without limitation, the costs and fees of Lender's legal counsel and any taxes or expenses associated with or incurred in connection with any instrument or agreement referred to herein or contemplated hereby.

11. EFFECTIVENESS; GOVERNING LAW. This Amendment shall be effective upon acceptance by Lender in Atlanta, Georgia, notice of which acceptance is hereby waived, whereupon the same shall be governed by and construed in accordance with the internal laws of the State of Georgia.

12. SUCCESSORS AND ASSIGNS. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

13. NO NOVATION, ETC. Except as otherwise expressly provided in this Amendment, nothing herein shall be deemed to amend or modify any provision of the Loan Agreement or any of the other Loan Documents, each of which shall remain in full force and effect. This Amendment is not intended to be, nor shall it be construed to create, a novation or accord and satisfaction, and the Loan Agreement as herein modified shall continue in full force and effect.

14. COUNTERPARTS; TELECOPIED SIGNATURES. This Amendment may be executed in any number of counterparts and by different parties to this Amendment on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

15. FURTHER ASSURANCES. Borrower agrees to take such further actions as Lender shall reasonably request from time to time in connection herewith to evidence or give effect to the amendments set forth herein or any of the transactions contemplated hereby.

16. SECTION TITLES. Section titles and references used in this Amendment shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreements among the parties hereto.

17. RELEASE OF CLAIMS. TO INDUCE LENDER TO ENTER INTO THIS AMENDMENT, BORROWER HEREBY RELEASES, ACQUITS AND FOREVER DISCHARGES LENDER, AND ALL

OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS OF LENDER, FROM ANY AND ALL LIABILITIES, CLAIMS, DEMANDS, ACTIONS OR CAUSES OF ACTION OF ANY KIND OR NATURE (IF THERE BE ANY), WHETHER ABSOLUTE OR CONTINGENT, DISPUTED OR UNDISPUTED, AT LAW OR IN EQUITY, OR KNOWN OR UNKNOWN, THAT BORROWER NOW HAS OR EVER HAD AGAINST LENDER ARISING UNDER OR IN CONNECTION WITH ANY OF THE LOAN DOCUMENTS OR OTHERWISE. BORROWER REPRESENTS AND WARRANTS TO LENDER THAT BORROWER HAS NOT TRANSFERRED OR ASSIGNED TO ANY PERSON ANY CLAIM THAT BORROWER EVER HAD OR CLAIMED TO HAVE AGAINST LENDER.

18. WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HERETO EACH HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, COUNTERCLAIM OR PROCEEDING ARISING OUT OF OR RELATED TO THIS AMENDMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed under seal and delivered by their respective duly authorized officers on the date first written above.

CONCURRENT COMPUTER CORPORATION
("Borrower")

By: /s/ Steven R. Norton
STEVEN R. NORTON, Executive Vice President,
Chief Financial Officer, Secretary and Treasurer

[CORPORATE SEAL]

Accepted in Atlanta, Georgia:

WACHOVIA BANK, N.A.
("Lender")

By: /s/ James T. Coleman
Title: Vice President

CONCURRENT COMPUTER CORPORATION
SECRETARY'S CERTIFICATE
OF
BOARD OF DIRECTORS RESOLUTIONS

I, Steven R. Norton, DO HEREBY CERTIFY, that I am the Secretary of CONCURRENT COMPUTER CORPORATION (the "Corporation"), a corporation duly organized and existing under and by virtue of the laws of the State of Delaware and am keeper of the records and seal thereof; that the following is a true, correct and compared copy of the resolutions duly adopted by the unanimous consent of all members of the Board of Directors of said Corporation effective as of March 28, 2001; and that said resolutions are still in full force and effect:

RESOLVED, that the President and Chief Executive Officer, and the Treasurer and Chief Financial Officer, or any other officer or board member of this Corporation (or the designee of any of them), each be, and each hereby is, authorized and empowered (either alone or in conjunction with any one or more of the other officers of the Corporation) to take, from time to time, all or any part of the following actions on or in behalf of the Corporation: (i) to make, execute and deliver to WACHOVIA BANK, N.A. ("Lender") (1) a First Amendment to Loan and Security Agreement (the "Amendment") providing for the amendment of certain terms of that certain Loan and Security Agreement dated November 3, 2000 between the Corporation and Lender (as at any time amended, the "Loan Agreement"), and (2) all other agreements, documents and instruments contemplated by or referred to in the Amendment or executed by the Corporation in connection therewith; said Amendment and other agreements, documents and instruments to be substantially in the form presented by Lender with such additional, modified or revised terms as may be acceptable to any officer or director of the Corporation, as conclusively evidenced by his or her execution thereof; and (ii) to carry out, modify, amend or terminate any arrangements or agreements at any time existing between the Corporation and Lender.

RESOLVED, that any arrangements, agreements, security agreements, or other instruments or documents referred to or executed pursuant to the Amendment by Steven R. Norton any other officer or director of the Corporation, or by an employee of the Corporation acting pursuant to delegation of authority, may be attested by such person and may contain such terms and provisions as such person shall, in his or her sole discretion, determine.

RESOLVED, that the Loan Agreement and each amendment to the Loan Agreement heretofore executed by any officer or director of the Corporation and any actions taken under the Loan Agreement as thereby amended are hereby ratified and approved.

I DO FURTHER CERTIFY that I am the Executive Vice President, Chief Financial Officer, Secretary and Treasurer of the Corporation am duly elected, qualified and acting as such.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Seal of the Corporation, this 28th day of March, 2001.

/s/ Steven R. Norton

STEVEN R. NORTON, Secretary

[CORPORATE SEAL]

Exhibit 10.16

SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT

THIS SECOND AMENDMENT TO LOAN AND SECURITY AGREEMENT (this "Amendment") is made and entered into this 14th day of September, 2001, by and between CONCURRENT COMPUTER CORPORATION, a Delaware corporation (hereinafter referred to as "Borrower") with its chief executive office and principal place of business at 4375 River Green Parkway, Duluth, Georgia 30096, and WACHOVIA BANK, N.A., a national banking association (hereinafter referred to together with its successors and assigns, as "Lender") with an office at 191 Peachtree Street, Atlanta, Georgia 30303.

RECITALS:

Lender and Borrower are parties to a certain Loan and Security Agreement dated November 3, 2000, as amended by that certain First Amendment to Loan and Security Agreement dated March 28, 2001 (as at any time amended, the "Loan Agreement"), pursuant to which Lender has made certain loans and other financial accommodations to Borrower.

The parties desire to amend the Loan Agreement as hereinafter set forth.

NOW, THEREFORE, for TEN DOLLARS ($10.00) in hand paid and other good and valuable consideration, the receipt and sufficiency of which are hereby severally acknowledged, the parties hereto, intending to be legally bound hereby, agree as follows:

1. DEFINITIONS. All capitalized terms used in this Amendment, unless otherwise defined herein, shall have the meaning ascribed to such terms in the Loan Agreement.

2. AMENDMENTS TO LOAN AGREEMENT. The Loan Agreement is hereby amended as follows:

(a) By adding the following new definitions to Section 1.1 of the Loan Agreement, in proper alphabetical sequence:

"Commitment Suspension Event" shall mean any of the events or conditions described in Section 13.14 hereof.

"Commitment Suspension Period" shall mean the period commencing upon the occurrence of a Commitment Suspension Event and continuing until: (i) Lender's receipt from Borrower of a statement executed by a duly authorized officer of Borrower in the form of Exhibit "C" attached hereto, demonstrating to Lender's satisfaction Borrower's compliance with the previously breached covenant or covenants contained in Article 12 or Supplement A that created the Commitment Suspension Event for the immediately succeeding relevant fiscal period, and (ii) Borrower's receipt of Lender's written waiver of the relevant Commitment Suspension Event.

"Current Assets" shall mean, at any date, the cash of Borrower on such date plus the amount of all accounts receivable of Borrower on such date.

"Current Liabilities" shall mean, at any date, the outstanding principal balance of the Line of Credit on such date plus the amount of all accounts payable of Borrower on such date.

"Current Ratio" shall mean, for any given date, the ratio of (a) Current Assets to (b) Current Liabilities for such period.

(b) By deleting the definitions of "Line of Credit" and "Termination Date" that are contained in Section 1.1 of the Loan Agreement in their entirety and by substituting in lieu thereof the following:

"Line of Credit" shall refer to the line of credit in the principal amount of up to $5,000,000 opened by Lender in favor of Borrower pursuant to the provisions of Section 2.1.1.

"Termination Date" shall mean the earliest to occur of the following dates: (i) that date on which, pursuant to Section 14, Lender terminates the Line of Credit (or the Line of Credit is deemed automatically terminated) subsequent to the occurrence of an Event of Default; (ii) the date during any Commitment Suspension Period on which the Line of Credit is terminated by either Borrower or Lender, or (iii) December 31, 2002, or such later date as to which Lender may agree in writing from time to time hereafter.

(c) By deleting Section 2.1(a) of the Loan Agreement in its entirety and by substituting in lieu thereof the following:

(a) On the Closing Date, subject to fulfillment of all conditions precedent set forth in Section 16, Lender agrees to open the Line of Credit in favor of Borrower so that, during the period from the Closing Date to, but not including, the Termination Date, so long as there is not in existence any Default Condition, Event of Default or Commitment Suspension Event and the borrowing will not cause a Default Condition or Event of Default to exist, Borrower may borrow and repay and reborrow Advances up to a maximum aggregate principal amount outstanding at any one time equal to the original principal amount of the Line of Credit; subject, however, to the requirement that at no time shall the aggregate principal amount of (i) outstanding Advances plus (ii) the aggregate amount of Letter of Credit Obligations exceed the Margin (such requirement being referred to herein as the "Margin Requirement"); and subject, further, to the requirement that if, at any time hereafter, the Margin Requirement is not satisfied, Borrower will immediately repay the then principal balance of the Master Note by that amount necessary to satisfy the Margin Requirement. All proceeds so obtained under the Line of Credit may be used by Borrower for working capital, capital expenditures and other general corporate purposes in such manner as Borrower may elect in the ordinary course of its business operations. The Debts arising from Advances made to or on behalf of Borrower under

the Line of Credit shall be evidenced by the Master Note, which shall be executed by Borrower and delivered to Lender on the Closing Date. The outstanding principal amount of the Master Note may fluctuate from time to time, but shall be due and payable in full on the Termination Date, and each Advance thereunder shall bear interest from the date of such Advance until paid in full at the Applicable Rate, calculated and payable in the manner described in Section 2.2.1. Subject to any contrary provisions of Section 2.2.1 in respect of LIBOR Borrowings, Borrower shall have the option to request Advances under the Line of Credit by telephone or in a writing delivered to Lender not later than 11:00 a.m. (Atlanta, Georgia time) on the date of the requested Advance; provided, however, that any telephone requests shall be confirmed in a writing not later than the Business Day following the disbursement of the requested Advance.

(d) By adding the following new subsection (c) to Section 2.1.1 of the Loan Agreement immediately following Section 2.1.1(b):

(c) Borrower shall, at the time of making of any request for an Advance under the Line of Credit, certify to Lender, in a statement executed by a duly authorized officer of Borrower in the form of Exhibit "C" attached hereto, that no Event of Default, Default Condition or Commitment Suspension Event exists or has occurred, or, if an Event of Default, Default Condition or Commitment Suspension Event exists or has occurred, specifying the nature and period of existence thereof. Such certificate shall also set forth, in reasonable detail, compliance with all financial covenants set forth in Supplement A for the immediately preceding Fiscal Month or Fiscal Quarter, as applicable.

(e) By deleting Section 2.2.1(c) of the Loan Agreement in its entirety and by substituting in lieu thereof the following:

(c) CONDITIONS AND LIMITATIONS ON LIBOR BORROWINGS. All Borrowings obtained on the Closing Date and for a period of two (2) Business Days thereafter shall be Prime Borrowings. Thereafter Borrower shall have the continuing right, provided that no Event of Default, Default Condition or Commitment Suspension Event exists, to obtain LIBOR Borrowings or to convert Prime Borrowings to LIBOR Borrowings; subject, however, to the following conditions and limitations: (i) the Interest Period for LIBOR Borrowings in respect of the Line of Credit shall not exceed the Termination Date; (ii) if on or prior to the first day of any Interest Period, Lender determines that deposits in United States Dollars (in the applicable amounts) are not being offered in the relevant market for such Interest Period or that the LIBOR Rate will not adequately and fairly reflect the cost to Lender of funding any relevant borrowings for such Interest Period, then, Lender shall forthwith give notice thereof to Borrower, whereupon, until Lender notifies Borrower that the circumstances giving rise to such suspension no longer exist, the obligation of Lender to make LIBOR Borrowings available to Borrower shall be suspended; and (iii) if, at any time, a change of law, or compliance by Lender with any request or directive (whether or not having the force of law) of any governmental authority shall make it unlawful or

impracticable for Lender to make available, maintain or fund any LIBOR Borrowings, Lender shall forthwith give notice to such effect to Borrower, whereupon, until Lender notifies Borrower that the circumstances giving rise to such suspension no longer exist, the obligation of Lender to make such Borrowings available to Borrower shall be suspended and if Lender shall determine that it may not lawfully continue to maintain and fund any then outstanding Borrowings to maturity and shall so specify in such notice, each Borrowing so affected shall be converted to a Prime Borrowing effective immediately.

(f) By deleting Section 2.2.2(d) of the Loan Agreement in its entirety and by substituting a reference to "Reserved." in lieu thereof.

(g) By deleting Section 2.4 of the Loan Agreement in its entirety and by substituting in lieu thereof the following:

2.4. TERMINATION EVENT. If either of the Principals shall die, become incapacitated, cease to be the chief executive officer or chief financial officer of Borrower or otherwise cease to be actively involved in the day-to-day executive management of Borrower (a "Termination Event"), Lender may, at its election, terminate the Line of Credit and demand payment of all of the Obligations upon ninety (90) days prior written notice to Borrower, unless Borrower replaces such Principal with a person of similar experience, skill and expertise reasonably satisfactory to Lender (which consent of Lender shall not be unreasonably withheld) within such ninety (90) day period. Nothing contained herein shall prohibit Lender from exercising any of its rights and remedies under the Loan Documents or applicable law if an Event of Default or Commitment Suspension Event exists at such time.

(h) By adding the following Section 2.5 to the Loan Agreement immediately following Section 2.4:

2.5 TERMINATION DURING COMMITMENT SUSPENSION PERIOD. During any Commitment Suspension Period, either party may terminate the Line of Credit and this Agreement at its election, without penalty, whereupon all Obligations shall become immediately due and payable in full and Lender shall have no further obligation to make any loans or otherwise extend any financial accommodations to Borrower.

(i) By deleting Section 10.11 of the Loan Agreement in its entirety and by substituting in lieu thereof the following:

10.11. CERTIFICATE OF NO DEFAULT. Borrower shall, on a monthly basis not later than twenty-five (25) days after the close of each of its first eleven Fiscal Months and not later than ninety (90) days after the close of its Fiscal Year, certify to Lender, in a statement executed by a duly authorized officer of Borrower in the form of Exhibit "C" attached hereto, that no Event of Default, Default Condition or Commitment Suspension Event exists or has occurred, or, if an Event of Default, Default Condition or Commitment Suspension

Event exists or has occurred, specifying the nature and period of existence thereof. Such certificate shall also set forth, in reasonable detail, compliance with all financial covenants set forth in Supplement A for the immediately preceding Fiscal Month or Fiscal Quarter, as applicable.

(j) By deleting Section 10.17 of the Loan Agreement in its entirety and by substituting in lieu thereof the following:

10.17. CERTAIN REQUIRED NOTICES. Promptly, upon its receipt of notice or knowledge thereof, Borrower will report to Lender: (i) any lawsuit or administrative proceeding in which Borrower is a defendant in which the amount or amounts in controversy exceed \$100,000; or (ii) the existence and nature of any Default Condition, Event of Default or Commitment Suspension Event.

(k) By deleting Section 11.15 of the Loan Agreement in its entirety and by substituting in lieu thereof the following:

> 11.15. CAPITAL EXPENDITURES AND LEASES. Expend during any Fiscal Year of Borrower, in Capital Expenditures, for itself and its Consolidated Subsidiaries, other than as contracted for as of the date hereof, or contract for any future Capital Expenditures, which in aggregate represent an amount exceeding (i) $6,500,000 in Fiscal Year 2001, and (ii) $5,000,000 in Fiscal Year 2002 without the Lender's prior written consent thereto, all as determined on a Consolidated basis for Borrower and its Consolidated Subsidiaries in accordance with GAAP.

(l) By deleting Section 13.3 of the Loan Agreement in its entirety and by substituting in lieu thereof the following:

> 13.3. CERTAIN COVENANTS. Borrower shall default in the observance or performance of any covenant or agreement contained in Sections 10.3, 10.4, 10.5, 10.6, 10.7, 10.11, 10.14, or in Article 11.

(m) By adding the following new Section 13.14 to the Loan Agreement immediately following Section 13.13:

> 13.14. FINANCIAL COVENANTS. Borrower shall default in the observance or performance of any covenant or agreement contained in Article 12 or Supplement A hereof and at such time the sum of the principal amount of Advances then outstanding (including any amounts that Lender may have paid for the account of Borrower pursuant to any of the Loan Documents and that have not been reimbursed by Borrower when due) exceeds $0; provided, that, if at such time the principal amount of Advances then outstanding is equal to $0, then such event shall not constitute an Event of Default but rather shall constitute a Commitment Suspension Event.

(n) By deleting the initial paragraph of Article 14 of the Loan Agreement in its entirety and by substituting in lieu thereof the following:

> 14. REMEDIES. Upon the occurrence of any Default Condition, Event of Default or Commitment Suspension Event, Lender's obligation to extend financing under the Line of Credit shall immediately cease; provided, however, that if such obligation has ceased due to the occurrence of a Default Condition, and such Default Condition does not become an Event of Default due to its having been cured or waived before it has matured into an Event of Default, then such obligation shall be reinstated as of the date such Default Condition is cured or waived, and provided, further, that if such obligation has ceased due to the occurrence of a Commitment Suspension Event, then such obligation shall be reinstated upon the termination of the Commitment Suspension Period. Upon the occurrence or existence of any Event of Default, or any time thereafter, without prejudice to the rights of Lender to enforce its claims against Borrower for damages for failure by Borrower to fulfill any of its obligations hereunder, subject only to prior receipt by Lender of payment in full of all Obligations then outstanding in a form acceptable to Lender, Lender shall have all of

the rights and remedies set forth below, and it may exercise any one, more, or all of such remedies, in its sole discretion, without thereby waiving any of the others.

(o) By deleting Section 15.1 of the Loan Agreement in its entirety and by substituting in lieu thereof the following:

15.1. WAIVER. Each and every right granted to Lender under this Agreement, or any of the other Loan Documents, or any other document delivered hereunder or in connection herewith or allowed it by law or in equity, shall be cumulative and may be exercised from time to time. No failure on the part of Lender to exercise, and no delay in exercising, any right shall operate as a waiver thereof, nor shall any single or partial exercise by Lender of any right preclude any other or future exercise thereof or the exercise of any other right. No waiver by Lender of any Default Condition Event of Default or Commitment Suspension Event shall constitute a waiver of any subsequent Default Condition, Event of Default or Commitment Suspension Event.

(p) By deleting Section 16.9 of the Loan Agreement in its entirety and by substituting in lieu thereof the following:

16.9. NO DEFAULT. No Default Condition, Event of Default or Commitment Suspension Event shall exist and Borrower shall in all respects be in compliance with all of the terms of the Loan Documents, as evidenced by its delivery of a certificate of no default to such effect, to be substantially in the form of Exhibit "C" attached hereto.

(q) By deleting Supplement A to the Loan Agreement in its entirety and by substituting the new Supplement A attached to this Amendment in lieu thereof.

(r) By deleting Exhibit "C" to the Loan Agreement in its entirety and by substituting the new Exhibit "C" attached to this Amendment in lieu thereof.

3. AMENDMENT FEE. To induce Lender to enter into this Amendment, Borrower covenants and agrees that, simultaneously with the execution and delivery of this Amendment, Borrower shall pay to Lender an amendment fee in the amount of $40,000, in immediately available funds.

4. LIMITED WAIVER OF DEFAULT. An Event of Default has occurred and currently exists under the Loan Agreement as a result of Borrower's breach of Section 12 of the Loan Agreement and Covenant (E) of Supplement A attached thereto (the "Designated Default"). The Designated Default exists because of Borrower's failure to maintain a Consolidated EBITDA of the Xstreme Division of at least ($8,500,000) for the four quarters ended June 30, 2001. Borrower represents and warrants that the Designated Default is the only Default Condition or Event of Default that exists under the Loan Agreement and the other Loan Documents as of the date hereof. Lender hereby waives the Designated Default in existence on the date hereof. In no event shall such waiver be deemed to constitute a waiver of (a) any Default Condition or Event of Default other than the Designated Defaults in existence on the date of this Amendment or (b) Borrower's obligation to comply with all of the terms and conditions of the Loan Agreement and the other Loan Documents from and after the date hereof. Notwithstanding any prior, temporary mutual disregard of the terms of any

contracts between the parties, Borrower hereby agrees that it shall be required strictly to comply with all of the terms of the Loan Documents on and after the date hereof.

5. RATIFICATION AND REAFFIRMATION. Borrower hereby ratifies and reaffirms the Obligations, each of the Loan Documents and all of Borrower's covenants, duties, indebtedness and liabilities under the Loan Documents.

6. ACKNOWLEDGMENTS AND STIPULATIONS. Borrower acknowledges and stipulates that the Loan Agreement and the other Loan Documents executed by Borrower are legal, valid and binding obligations of Borrower that are enforceable against Borrower in accordance with the terms thereof; all of the Obligations are owing and payable without defense, offset or counterclaim (and to the extent there exists any such defense, offset or counterclaim on the date hereof, the same is hereby waived by Borrower); the security interests and liens granted by Borrower in favor of Lender are duly perfected, first priority security interests and liens; and the unpaid principal amount of the Advances on and as of September 14, 2001, totaled $0.

7. REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, to induce Lender to enter into this Amendment, that no Default Condition or Event of Default exists on the date hereof other than the Designated Default; the execution, delivery and performance of this Amendment have been duly authorized by all requisite corporate action on the part of Borrower and this Amendment has been duly executed and delivered by Borrower; and except as disclosed to Lender in writing, all of the representations and warranties made by Borrower in the Loan Agreement are true and correct on and as of the date hereof.

8. REFERENCE TO LOAN AGREEMENT. Upon the effectiveness of this Amendment, each reference in the Loan Agreement to "this Agreement," "hereunder," or words of like import shall mean and be a reference to the Loan Agreement, as amended by this Amendment.

9. BREACH OF AMENDMENT. This Amendment shall be part of the Loan Agreement and a breach of any representation, warranty or covenant herein shall constitute an Event of Default.

10. EXPENSES OF LENDER. Borrower agrees to pay, ON DEMAND, all out-of-pocket costs and expenses incurred by Lender in connection with the preparation, negotiation and execution of this Amendment and any other Loan

Documents executed pursuant hereto and any and all amendments, modifications, and supplements thereto, including, without limitation, the reasonable costs and fees of Lender's legal counsel and any taxes or expenses associated with or incurred in connection with any instrument or agreement referred to herein or contemplated hereby.

11. EFFECTIVENESS; GOVERNING LAW. This Amendment shall be effective upon acceptance by Lender in Atlanta, Georgia, notice of which acceptance is hereby waived, whereupon the same shall be governed by and construed in accordance with the internal laws of the State of Georgia.

12. SUCCESSORS AND ASSIGNS. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

13. NO NOVATION, ETC. Except as otherwise expressly provided in this Amendment, nothing herein shall be deemed to amend or modify any provision of the Loan Agreement or any of the other Loan Documents, each of which shall remain in full force and effect. This Amendment is not intended to be, nor shall it be construed to create, a novation or accord and satisfaction, and the Loan Agreement as herein modified shall continue in full force and effect.

14. COUNTERPARTS; TELECOPIED SIGNATURES. This Amendment may be executed in any number of counterparts and by different parties to this Amendment on separate counterparts, each of which, when so executed, shall be deemed an original, but all such counterparts shall constitute one and the same agreement. Any signature delivered by a party by facsimile transmission shall be deemed to be an original signature hereto.

15. FURTHER ASSURANCES. Borrower agrees to take such further actions as Lender shall reasonably request from time to time in connection herewith to evidence or give effect to the amendments set forth herein or any of the transactions contemplated hereby.

16. SECTION TITLES. Section titles and references used in this Amendment shall be without substantive meaning or content of any kind whatsoever and are not a part of the agreements among the parties hereto.

17. RELEASE OF CLAIMS. TO INDUCE LENDER TO ENTER INTO THIS AMENDMENT, BORROWER HEREBY RELEASES, ACQUITS AND FOREVER DISCHARGES LENDER, AND ALL OFFICERS, DIRECTORS, AGENTS, EMPLOYEES, SUCCESSORS AND ASSIGNS OF LENDER, FROM ANY AND ALL LIABILITIES, CLAIMS, DEMANDS, ACTIONS OR CAUSES OF ACTION OF ANY KIND OR NATURE (IF THERE BE ANY), WHETHER ABSOLUTE OR CONTINGENT, DISPUTED OR UNDISPUTED, AT LAW OR IN EQUITY, OR KNOWN OR UNKNOWN, THAT BORROWER NOW HAS OR EVER HAD AGAINST LENDER ARISING UNDER OR IN CONNECTION WITH ANY OF THE LOAN DOCUMENTS OR OTHERWISE. BORROWER REPRESENTS AND WARRANTS TO LENDER THAT BORROWER HAS NOT TRANSFERRED OR ASSIGNED TO ANY PERSON ANY CLAIM THAT BORROWER EVER HAD OR CLAIMED TO HAVE AGAINST LENDER.

18. WAIVER OF JURY TRIAL. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES HERETO EACH HEREBY WAIVES THE RIGHT TO TRIAL BY JURY IN ANY ACTION, SUIT, COUNTERCLAIM OR PROCEEDING ARISING OUT OF OR RELATED TO THIS AMENDMENT.

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be duly executed under seal and delivered by their respective duly authorized officers on the date first written above.

CONCURRENT COMPUTER CORPORATION
("Borrower")

By: /s/ Steven R. Norton
STEVEN R. NORTON, Executive Vice President,
Chief Financial Officer, Secretary and Treasurer

[CORPORATE SEAL]

Accepted in Atlanta, Georgia:

WACHOVIA BANK, N.A.
("Lender")

By: /s/ James T. Coleman
Title: Vice President

SUPPLEMENT A

Financial Covenants

(A) CONSOLIDATED EBITDA. Maintain Consolidated EBITDA as of the last day of each period set forth below of at least the amounts set forth below for the periods applicable thereto:

Period	Amount
July 1, 2001 through September 30, 2001	($ 2,100,000)
July 1, 2001 through December 31, 2001	($ 2,000,000)
July 1, 2001 through March 31, 2002	$ 0
For the Four Fiscal Quarters ending June 30, 2002	$ 3,000,000
For the Four Fiscal Quarters ending September 30, 2002	$ 5,000,000
For the Four Fiscal Quarters ending December 31, 2002 and at all times thereafter	$ 6,000,000

(B) LEVERAGE RATIO. Maintain a ratio of Consolidated Total Liabilities to Consolidated Tangible Net Worth of not more than 2.0 to 1.0 at all times.

(C) CONSOLIDATED FIXED CHARGE COVERAGE RATIO. Maintain a Consolidated Fixed Charge Coverage Ratio greater than or equal to the ratio set forth below for the period applicable thereto, as of the last day of each Fiscal Quarter for the four (4) Fiscal Quarters then ending:

Date	Ratio
September 30, 2001	N/A
December 31, 2001	N/A
March 31, 2002	N/A
June 30, 2002	N/A
September 30, 2002	1.0 to 1.0
December 31, 2002 and at all times thereafter	1.25 to 1.0

(D) DEBT COVERAGE RATIO. Maintain a Consolidated Funded Debt/EBITDA Ratio as of the last day of each Fiscal Quarter for the four (4) Fiscal Quarters then ending of not more than the ratio set forth below for the period corresponding thereto:

Period	Ratio
September 30, 2001	N/A
December 31, 2001	N/A
March 31, 2002	N/A
June 30, 2002	2.5 to 1.0
September 30, 2002	2.5 to 1.0
December 31, 2002 and at all times thereafter	2.5 to 1.0

(E) CONSOLIDATED EBITDA (XSTREME DIVISION). Maintain Consolidated EBITDA of the Xstreme Division as of the last day of each period set forth below of at least the amounts set forth below for the periods applicable thereto:

Period	Amount
July 1, 2001 through September 30, 2001	($3,000,000)
July 1, 2001 through December 31, 2001	($4,000,000)
July 1, 2001 through March 31, 2002	($3,000,000)
For the Four Fiscal Quarters ending June 30, 2002	($1,500,000)
For the Four Fiscal Quarters ending September 30, 2002	$ 1,000,000
For the Four Fiscal Quarters ending December 31, 2002 and at all times thereafter	$ 2,000,000

(F) CONSOLIDATED EBITDA (REAL-TIME DIVISION). Maintain Consolidated EBITDA of Real-Time Division as of the last day of each Fiscal Quarter for the four (4) Fiscal Quarters then ending of at least the amounts set forth below for the periods applicable thereto:

Period	Amount
July 1, 2001 through September 30, 2001	$700,000
July 1, 2001 through December 31, 2001	$1,750,000

Period	Amount
July 1, 2001 through March 31, 2002	$3,000,000
For the Four Fiscal Quarters ending June 30, 2002	$4,000,000

For the Four Fiscal Quarters ending September 30, 2002	N/A
For the Four Fiscal Quarters ending December 31, 2002 and at all times thereafter	N/A

(G) CURRENT RATIO. Maintain a Current Ratio as of the last day of each Fiscal Month during the period specified below of not less than the ratio set forth below for the period corresponding thereto:

Period	Ratio
September 14, 2001 through December 30, 2001	3.50 to 1.0
December 31, 2001 through March 29, 2002	3.00 to 1.0
March 31, 2002 through June 29, 2002	2.25 to 1.0
June 30, 2002 through September 29, 2002	2.25 to 1.0
September 30, 2002 and at all times thereafter	2.00 to 1.0

EXHIBIT C

Certificate of No Default[/Request for Advance]

The undersigned, being the __________________ of CONCURRENT COMPUTER CORPORATION ("Borrower"), and, in such capacity, being familiar with the matters set forth herein and duly authorized and empowered to issue this Certificate for and on behalf of Borrower, does hereby certify to WACHOVIA BANK, N.A. ("Lender"), in connection with and pursuant to that certain Loan and Security Agreement, dated November 3, 2000, between Borrower and Lender (herein, as it may be amended to date, called the "Loan Agreement"; capitalized terms used herein, without definition, having the meaning given to such terms in the Loan Agreement) that, as of the date of this Certificate, there exists no Event of Default or Default Condition.

Without limiting the generality of the foregoing, Borrower is in compliance with all financial covenants referenced in Section 12 of the Loan Agreement and specified in Supplement A thereto, as demonstrated by the computations attached hereto.

The undersigned requests an Advance on this date in the amount of $_____________, which Advance shall constitute a [Prime Borrowing][LIBOR Borrowing].

WITNESS my hand as of ____________, 20__.

By:_______________________________________
Name:_____________________________________
Title:____________________________________

Exhibit 21.1

Exhibit 23.1

Exhibit 23.2