

September 10, 2014

## Dear Fellow Shareholders,

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With another successful year behind us, it is time to reflect on our progress in fiscal 2014. As we entered fiscal 2014, our number one objective was to continue delivering long-term value to our shareholders by growing the business and operating profitably. We are pleased to report that we achieved these goals over the past year. In addition to posting solid financial results each quarter, we successfully grew our global customer base, expanded our relationships with existing customers, and extended our innovation leadership. We are encouraged by our progress and we are optimistic as we look forward to fiscal 2015.

During the course of fiscal 2014 we added a number of new video solutions customers, including a global Tier 1 telecommunications operator, a major Canadian telecommunications operator, and several cable operators, in addition to winning new projects with key existing customers. In fact, we have added 12 new accounts and more than doubled our video solutions customer list over the past 36 months. In the real-time market, we continued to expand our business and serve new customers in new markets. In fiscal 2014 we added several of the world's leading automotive companies and Formula 1 racing teams and gained market traction in the energy sector.

With solid contribution from both video and real-time solutions, we substantially improved operating results in fiscal 2014 relative to the prior year. Notably, our revenue grew by 12.2% over the prior year and operating income increased by 99.7% (excluding proceeds from the one-time sale of non-strategic intellectual property in fiscal 2013). We grew operating cash flow by 37.4% and returned \$4.4 million in cash dividends to our shareholders. In total, we have paid out cash dividends of more than \$12 million over the past two years.

Additional financial highlights of the fiscal 2014 full year financial results (ending June 30th, 2014) include:

- 4 profitable quarters
- Revenue of \$71.2 million
- Operating income of \$5.3 million
- Working capital of \$29.9 million
- Cash and cash equivalents of \$28.1 million and no debt at the end of the year

Notable milestones achieved in fiscal year 2014:

- Get, Norway's leading digital television and broadband Internet provider, selected our unified content delivery solution to power their 'Get TV' online video streaming service. Get uses our latest IP video technology to offer live TV, time-shifted TV, and video-on-demand services to nearly one million customers on tablets, smartphones, PCs, and other Internet connected devices.
- We deployed a first-of-a-kind network DVR solution at NOS, formerly ZON, to deliver time shifted TV services to more than 1 million customers across Portugal.

- We launched a new transparent caching solution that boosts the performance of over-the-top (OTT) video services like Netflix®, Apple TV®, and YouTube®, while reducing network costs and increasing revenue opportunities for broadband operators.
- We were awarded five U.S. video patents.
- We released a new version of our multi-screen origin server software featuring support for Ultra HD video content and the High Efficiency Video Coding (HEVC) video compression standard (H.265).
- We added a number of premium automotive brands to our customer list, as well as Formula 1 design and racing teams.
- We enhanced our SIMulation Workbench™ software for the automotive market to support new simulation models and interfaces.
- We won new opportunities in the green energy market, including a project with Clemson University for testing wind turbines using a hardware-in-the-loop test rig powered by SIMulation Workbench.

In summary, we are pleased with our progress in fiscal 2014. We remain focused on continuing our momentum into fiscal 2015 and increasing shareholder value.

Finally, I congratulate our employees for their dedication to achieving our goals over the past year. Our success is a direct result of their commitment to excellence.

Thank you for your support and continued interest in Concurrent.

Sincerely,



Dan Mondor  
President and Chief Executive Officer

