

Dear Fellow Shareholders,

September 20, 2013

In fiscal year 2013 we focused on expanding our global customer base, building on our relationships with existing customers, and continued strengthening of our operating model to improve business efficiency and profitability. Our operating plan included targeted investments in sales and customer support resources, research and development investment to bring new products to market, and further streamlining operations across the company. We are encouraged by the progress we made on all of our key objectives. We are a much stronger company as a result and we are optimistic about our prospects in fiscal 2014.

During the course of fiscal 2013, we competed for and were awarded a number of new design wins for our latest generation video and real-time solutions. In the video market, customers are using our unified video and media data intelligence solutions to extend traditional video services beyond the TV to reach consumers on smartphones, tablets, and other connected devices. In the real-time market, our technology is being used to power some of the world's most advanced computing applications, including automotive control systems, Formula 1 race car driving simulators, high-performance military applications, and high speed securities trading. Our success in garnering new design wins directly reflects our continued leadership position in the markets we serve.

We increased revenue over 5% as compared to the prior fiscal year and improved our year-over-year operating income by \$4.7M, excluding gains from the sale of non-strategic intellectual property. We also delivered our first full year of profitability in the company's recent history, instituted a quarterly cash dividend of \$0.06 per share and increased the dividend to \$0.12 per share in the fourth quarter.

Additional highlights of the fiscal 2013 full year financial results (ending June 30th, 2013):

- 4 profitable quarters
- Net income increase in excess of \$7 million versus the prior fiscal year, resulting in \$0.48 EPS
- Cash dividend distributions of over \$7.5 million, consisting of \$0.36 per share in quarterly dividends and a special dividend of \$0.50 per share
- Sale of non-strategic intellectual property, netting \$2.4 million in cash
- Ended the year with cash and cash equivalents of \$27.9 million and no debt

Notable milestones achieved in fiscal year 2013:

- Jupiter Telecommunications, the largest cable operator in Japan, successfully launched our MediaHawk VX™ unified content delivery solution to more than 2.5 million subscribers, enabling them to view “J:COM On Demand” video programming anywhere, anytime, on Apple® iPads®, iPhones®, and Android™ devices
- Deployed our unified content delivery solution at a top five North American multi-channel video service provider to double the storage capacity of their video-on-demand service nationwide
- Ranked as the overall market leader for on-demand video solutions based on a 2013 competitive assessment by independent analyst firm, Current Analysis
- Launched new video solution products, services, and feature enhancements, including:
 - Cache Xpander™ – Scalable edge caching which enables operators to deploy larger video content libraries and better manage video traffic across the network backbone
 - Intelligent Video Archival Software – Optimizes content placement on storage arrays to ensure the most cost effective use of available capacity

- Open Standards Interface Support – Support for ATIS IIF specifications that enable Concurrent’s video streaming components to operate within a multi-vendor CDN solution
 - Extended Support for Smart TVs – Enables VOD streaming to Internet-connected televisions
 - Dynamic Content Workflow Enhancements – New digital rights management technologies, session-based policy controls, and transcoding features extend the capabilities of Concurrent’s eFactor™ dynamic content adaptation solution
 - Managed Service Solutions – Proactive maintenance services ensure the highest consumer quality of experience
- Deployed our premier real-time simulation solutions with a variety of major automotive manufacturers for both road and race car applications
 - Delivered Imagen™ servers to KCEI in Korea for the K-Series Tank Platoon program
 - Deployed real-time solutions in support of domestic and international naval programs
 - Ranked as a Top Simulation Company for 2013 by Military Training Technology magazine
 - Launched new real-time solutions and advanced applications, including:
 - SIGnal Workbench™ – Launched our second generation solution for use in high performance data acquisition applications
 - SIMulation Workbench™ – Added support for multi-body simulation packages such as SIMPACK, AMESIM, and DYMOLA to improve modeling accuracy
 - RedHawk™ Linux® – Released version 6.3 in support of the latest hardware systems available in the marketplace

In summary, we are pleased with our progress in fiscal 2013 and are very encouraged by the increasing global brand awareness of Concurrent in our target markets. The demand for our video and real-time solutions is strong and we are winning against the competition. I congratulate our employees for their tireless work to achieve our goals over the past year. The company’s success is a direct result of their dedication to excellence.

Our number one objective in fiscal 2014 is to continue delivering long-term value to our shareholders by focusing on growing the business and operating profitably. Thank you for your support and interest in Concurrent.

Sincerely,



Dan Mondor
President and Chief Executive Officer



CONCURRENT **IMAGINE** **VIDEO**

Any Screen. Any Time. Any Network.

