ELXSI CORPORATION REPORTS NET INCOME FOR THE THREE AND NINE MONTHS ENDED September 30, 2014

ORLANDO, Florida – November 17, 2014 - ELXSI Corporation today announced that it reported net income of $2,358,000, or $0.69 per share during the three months ended September 30, 2014, as compared to net income of $872,000, or $0.22 per share during the same period in 2013.

For the nine months ended September 30, 2014, the Company reported net income of $5,084,000, or $1.48 per share, as compared to net income of $2,835,000, or $0.72 per share.

Cues Division. Cues is a leading manufacturer of robotic video inspection equipment, repair equipment and asset management software for wastewater pipelines and drainage systems. The Company also provides consulting and specialty services related to pipeline markets. Sales and operating income at Cues during the nine months ended September 30, 2014 exceeded the division's sales and operating income during the first nine months of any previous years. In addition, the nine month operating income for Cues in 2014 exceeded the record twelve month operating income recorded by Cues in 2013.

During the third quarter ended September 30, 2014, net sales and operating income increased 31% and 95%, respectively, compared to the same period in 2013. The operating income for the three months ended September 30, 2014 set a Cues record for the highest quarterly operating income. The third quarter gross profit percentage increased 1.5% compared to the same period in the prior year.

Cues Mapping Services, a startup established in March 2012, continues to steadily improve and is maintaining the positive trend in 2014. The division performs sophisticated data gathering and data processing using a proprietary robotic instrument which collects positioning coordinates in three dimensions and is able to populate geographic information system (GIS) maps with this valuable data. The Company is marketing this new offering for use in mapping all types of applications including wastewater pipes, oil and gas distribution lines, directional drilling and heavy duty buried power distribution conduits. Management of the division is comprised of an industry specific, experienced team.

The Company continues to market and further develop specialty inspection technology combining laser, sonar and digital video during 2014. The system has been deployed as a service to collect critical data in a range of applications primarily related to rendering 2D and 3D images of large diameter pipes. The technology provides critical data relating to the corrosion levels on the inside pipe wall as well as debris build up under the water flow. Civil engineering firms and municipal engineers utilize the data in determining optimal rehabilitation methods for aging infrastructure.

In 2013 the Cues Orlando, Florida facility was expanded with a 10,500 square foot addition. The addition allowed for the consolidation and expansion of the customer service department and provided work efficiencies for repairing customer's equipment. Management is considering leasing a 53,000 square foot facility in Orlando, Florida to consolidate and expand its vehicle assembly operations, which would provide more efficient production space.

Restaurant Operations. The restaurant sales and operating income currently represent approximately 10% and 2%, respectively, of the Company totals for the nine months ended September 30, 2014.

The Restaurants recorded operating income of $105,000 in the third quarter of 2014, compared to operating income of $66,000 in the third quarter of 2013. The third quarter operating income increased $39,000, or 59%, mainly as a result of increased sales and a gross profit percentage increase of 0.4%.

Restaurant net sales during the third quarter increased $182,000, or 10%, from $1,809,000 in 2013 to $1,991,000 in 2014. As a result of improved staff and renovations, sales at the Leominster, MA restaurant increased $77,000, representing 42% of the total third quarter sales increase of $182,000 compared to the same period in the prior year. Excluding Leominster, MA, the same store sales increased 6%.

Restaurant operating income decreased from $208,000 during the nine months ended September 30, 2013 to $134,000 during the nine months ended June 30, 2014. Increased snow removal costs due to the severe winter weather along with an increase in the number of employees electing health benefits, property and liability insurance rate increases and an increase in depreciation expense caused the Restaurant operating income to decline $74,000 in the first nine months of 2014 compared to the same period in the prior year.

Overall restaurant net sales increased $393,000, or 7%, from $5,381,000 in the first nine months of 2013 to $5,774,000 in the first nine months of 2014. The improved staff and renovations at the Leominster, MA restaurant resulted in increased sales of $167,000, representing 42% of the total sales increase of $393,000 during the first nine months of 2014 compared to the same period in the prior year. Excluding Leominster, MA, the same store sales increased 4%.

As of September 30, 2014, the Company operated six restaurants in New England; four under the "Bickford's Grille" name and two under the traditional "Bickford's" name. In addition, the Company leased three other properties at which the Company operated restaurants that are now closed and are no longer being operated by the Company because these restaurants were not profitable. The Company, however, is subleasing these three properties to third parties thereby reducing its financial exposure under the three lease obligations.

Corporate. As of September 30, 2014, the Company's had no outstanding borrowings on its $6,000,000 line of credit. The Company's cash balance was $6,399,000 at September 30, 2014. Management believes that cash generated by operations plus cash on hand and availability under its line of credit will be adequate to fund operations throughout the remainder of 2014. Consolidated interest expense increased $2,000 to $98,000 in the third quarter of 2014 compared to the same period during 2013.

During the third quarter of 2014, the Company repurchased 42,274 shares of its common stock for approximately $423,000 under its previously announced programs to repurchase up to $3,000,000 of its common stock on the open market and in privately negotiated transactions. Since announcement of this program in 2012, the Company has repurchased an aggregate of 254,415 shares of its common stock for $2,473,000. The Company will continue to repurchase shares under this program from time to time and subject to market conditions.

Summary. Below is a summary of the 2014 third quarter and nine months results compared to the same period in the prior year.

Unaudited	Three Months Ended September 30,		Nine Months Ended September 30,	
	2014	2013	2014	2013
	(amounts in 000's, except per share data)			
Sales	$ 21,046	$ 16,363	$ 57,607	$ 47,603
Operating income	2,523	1,052	5,636	3,337
Income tax expense	(69)	(96)	(267)	(216)
Net income	$ 2,358	$ 872	$ 5,084	$ 2,835
Basic and diluted earnings per common share	$ 0.69	$ 0.22	$ 1.48	$ 0.72
Basic and diluted weighted average number of common and common equivalent shares:	3,441	3,881	3,446	3,917

The Company's tangible and intangible net book value was $8.81 per share at September 30, 2014.

The Company's common stock can be traded through the "OTC Pink" marketplace, an electronic quotation service for over-the-counter securities. The Company's financial statements for the year ended December 31, 2013 and the fiscal quarters ended March 31, 2014, June 30, 2014 and September 30, 2014 are located at www.otcmarkets.com under the symbol ELXS. Contact David M. Doolittle, (407) 849-0190 ext. 211 for additional information.

This Press Release includes forward-looking statements that involves risks and uncertainties. Additional written or oral forward-looking statements may be made by or on behalf of the Company from time to time in press releases and other public announcements, or otherwise. Such statements may include, but not be limited to, projections of revenue, income, losses and cash flows, plans for future capital and other expenditures, plans for future operations, expectations with respect to the Company's restructuring activities, financing needs or plans and the adequacy of the funds available to operate the Company's business, plans relating to products or services, estimates concerning the effects of litigation or other disputes, as well as expectations and assumptions relating to any or all of the foregoing, relating to the Company, its subsidiaries and/or divisions.

Although the Company believes that its forward-looking statements are based on expectations and assumptions that are reasonable, forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted. Accordingly, no assurance can be given that such expectations or assumptions will prove to have been correct, and future events and actual results could differ materially from those described in or underlying the forward-looking statements. Among the factors that could cause future events and actual results to differ materially are: the demand for the Company's products and services and other market acceptance risks; the presence in the Company's markets of competitors with greater financial resources, the impact of competitive products and services and pricing; the loss of any significant customers or group of customers; general economic and market conditions nationally and (in the case of the Company's restaurant operations) in New England; the Company's ability to successfully restructure its restaurant operations, the ability of the Cues Division to develop new products; capacity and supply constraints or difficulties; the emergence of future opportunities; the Company's ability to meet certain covenant requirements under its borrowing agreements; the ability of the Company to utilize its deferred tax assets; the Company's ability to collect outstanding accounts receivable; and the effects of the Company's accounting policies.

The Company assumes no obligation to update its forward-looking statements or advise of changes in the expectations, assumptions and factors on which they are based.