ELXSI CORPORATION REPORTS NET INCOME
FOR THE YEAR ENDED
December 31, 2014

ORLANDO, Florida – April 2, 2015 - ELXSI Corporation today announced that it reported net income of $7,125,000, or $2.08 per share during the year ended December 31, 2014, compared to net income of $4,483,000, or $1.17 per share during 2013.

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. The business achieved record annual sales and operating income during 2014.

During 2014, net sales and operating income increased 20% and 53%, respectively, compared to 2013. The operating income increased as a result of the increased sales volume and a 1.2% increase in the gross profit percentage during 2014 compared to the prior year. During 2014, Cues shipped approximately 23% more trucks and large component orders than the prior year, setting a record. In addition, the mix of such was more challenging to build as the benefit of any single large uniform configurations was absent in both 2014 and 2013 versus previous years. Hence, the forgoing achievement is all the more pronounced.

Cues Mapping Services, established in March 2012, 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 continued deploying and innovating specialty inspection technology systems combining laser, sonar and digital video during 2014. The system is currently offered as a service to collect and process critical data in a range of applications primarily related to rendering 2D and 3D images of large diameter pipes. The data is presented in explanatory reports highlighting the corrosion levels on the inside pipe wall as well as sediment and debris build up under the water flow. Civil engineering firms and municipal engineers utilize the data in determining optimal rehabilitation methods for aging infrastructure.

During the second quarter of 2015, Cues expects to occupy a 53,000 square foot facility in Orlando, Florida to consolidate and expand its vehicle assembly operations, which will provide more efficient production space. The property is being leased for three years with an option for two additional years.

Restaurant Operations. The restaurant sales and operating income currently represent approximately 10% and 2%, respectively, of the Company totals for the year ended December 31, 2014.

The Restaurants recorded operating income of $135,000 in 2014, compared to operating income of $261,000 in 2013. However, the 2014 operating income included a loss of $130,000 resulting from recognizing a deferred loss and writing off leasehold improvements and fixtures. The 2014 operating income before the loss on the restaurant write-off, increased $4,000, or 2%, mainly as a result of an 8% sales increase and a 0.5% decrease in the gross profit percentage compared to 2013. The non-cash write-off resulted from the sale of the property to a new landlord by an entity related to Alexander M. Milley, which had purchased the property in 2004 to meet harsh lender demands at that time. The restaurant continues to operate on a short-term lease and is expected to close when development plans are finalized by the purchaser

Restaurant net sales during 2014 increased $594,000, or 8%, from $7,184,000 in 2013 to $7,778,000 in 2014. Sales at the Leominster, MA restaurant increased $228,000, representing 38% of the total 2014 sales increase of $594,000, compared to the same period in the prior year, when the restaurant was closed due to a fire and subsequent renovations for several months. Excluding Leominster, MA, same store sales and customer counts increased 5.4% and 1.8%, exclusively.

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 four 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 four properties to third parties thereby reducing its financial exposure under the four lease obligations.

Corporate. As of December 31, 2014, the Company's had no outstanding borrowings on its $6,000,000 line of credit. The Company's cash balance was $7,123,000 at December 31, 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 2015.

Corporate administrative expense increased $537,000, or 26% in 2014 compared to 2013. Included in 2014 administrative expense is approximately $1.6 million in stock grant compensation expense for 175,000 shares of Company Common Stock that was earned during 2014, but will be distributed during 2015 and beyond at a maximum rate of 80,000 shares per year. Under the stock grant, which was effective January 1, 2014 and expires on December 31, 2018, up to 400,000 shares can be earned contingent on the Company achieving certain minimum operating income levels. Almost entirely offsetting the stock grant compensation expense in 2014 was a decrease of approximately $1.3 million in management fee expense resulting from the cancellation of an annually renewable contract as of December 31, 2013.

Consolidated interest expense was $384,000 during both 2014 and 2013.

During 2014, the Company repurchased 109,988 shares of its common stock for approximately $1,099,000 under its previously announced programs to repurchase up to $5,000,000 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 268,829 shares of its common stock for $2,639,000. 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 and 2013 annual results.

	Year Ended December 31,	
	2014	2013
	(amounts in $000's, except per share data)	
Sales	$ 76,474	$ 64,422
Loss on restaurant closures and lease terminations costs and sales of property and buildings	(130)	--
Operating income	7,880	4,970
Income tax expense	(375)	(106)
Net income	$ 7,125	$ 4,483
Basic and diluted earnings per common share	$ 2.08	$ 1.17
Basic and diluted weighted average number of shares outstanding	3,430	3,842

The Company's tangible and intangible net book value was $9.86 per share at December 31, 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, 2014 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.