ELXSI CORPORATION REPORTS NET INCOME FOR THE THREE MONTHS ENDED March 31, 2015

ORLANDO, Florida – May 19, 2015 - ELXSI Corporation today announced that it reported net income of $1,279,000, or $0.38 per share during the first quarter of 2015, compared to net income of $788,000, or $0.23 per share during the first quarter of 2014.

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 the first quarter ended March 31, 2015, net sales and operating income increased 16% and 39%, respectively, compared to the same period in 2014. The operating income increased as a result of the increased sales volume and a 1.8% increase in the gross profit percentage during 2015 compared to the same period in the prior year.

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. 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 represented approximately 10% and 3%, respectively, of the Company totals for the first quarter of 2015.

Restaurant net sales during the first quarter of 2015 increased $77,000, or 4%, from $1,837,000 in 2014 to $1,914,000 in 2015. The Restaurants recorded operating income of $43,000 in the first quarter of 2015, compared to an operating loss of $21,000 in the first quarter of 2014.

Sales at the Leominster, MA restaurant increased $19,000, representing 24% of the first quarter 2015 sales increase of $77,000, compared to the same period in the prior year. Subsequent to the 2014 sale of the Leominster property to a new landlord, the Restaurant signed a short-term lease that provided for free rent during the first quarter of 2015, resulting in a savings of $19,000 compared to the first quarter of 2014. In April 2015, after receiving notification from the new landlord's about its development plans, Bickford's closed the Leominster, MA restaurant.

Excluding Leominster, MA, same store sales increased 3% while customer counts decreased 1%.

As of March 31, 2015, 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. As noted above, effective May 2015, the Company now only operates five restaurants.

Corporate. As of March 31, 2015, the Company had no outstanding borrowings on its $6,000,000 line of credit and a cash balance of $8,175,000.

Corporate administrative expense increased $182,000, or 37% in the first quarter of 2015 compared to 2014. Included in the first quarter 2015 administrative expense is an increase of approximately $189,000 in stock grant compensation expense for 175,000 shares of Company Common Stock that is expected to be earned in 2015, but will be distributed during 2017 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. The total stock grant compensation expense in 2015 will not exceed the total stock grant compensation expense recorded in 2014 and could be less if minimum operating income targets are not achieved.

Consolidated interest expense was $78,000 and $97,000, respectively in the first quarters of 2015 and 2014.

During the first quarter of 2015, the Company repurchased 4,149 shares of its common stock for approximately $58,000 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 272,978 shares of its common stock for $2,697,000. 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 2015 and 2014 first quarter results.

	Three Months Ended March 31,	
	2015	2014
	(amounts in $000's, except per share data)	
Sales	$ 19,013	$ 16,584
Operating income	1,451	986
Income tax expense	(99)	(99)
Net income	$ 1,279	$ 788
Basic and diluted earnings per common share	$ 0.38	$ 0.23
Basic and diluted weighted average number of shares outstanding	3,373	3,477

The Company's tangible and intangible net book value was $10.19 per share at March 31, 2015.

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 quarter ended March 31, 2015 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.