ELXSI CORPORATION REPORTS NET INCOME FOR THE THREE AND NINE MONTHS ENDED September 30, 2011

ORLANDO, Florida – November 22, 2011 - ELXSI Corporation today announced that it reported net income of $650,000, or $0.16 per diluted share, for the three months ended September 30, 2011 compared to net income of $413,000, or $0.10 per diluted share, during the same period in 2010.

For the nine months ended September 30, 2011, the Company reported net income of $2,255,000, or $0.56 per diluted share, significantly improved from net income of $247,000, or $0.06 per diluted share, during the same nine month period in the prior year.

Restaurant Operations. The operating loss (before losses on disposals of property and buildings) was ($39,000) during the three months ended September 30, 2011 compared to a loss of ($178,000) during the three months ended September 30, 2010. Overall restaurant net sales decreased $1,034,000, or 34%, from $3,065,000 in the third quarter of 2010 to $2,031,000 in the third quarter of 2011. The sales decrease was primarily attributable to operating fewer restaurants in the 2011 period in accordance with its restructuring process. Sales at comparable restaurants were flat during the third quarter of 2011 as compared to the third quarter of 2010.

The restaurant operations' losses on disposals of property and buildings were ($18,000) during the third quarter of 2011 as compared to ($10,000) in the same period in the prior year. As a result, the operating loss (after losses on disposals of property and buildings) from the Company's restaurant operations decreased $131,000 to a loss of ($57,000) in the third quarter of 2011 from a loss of ($188,000) in the third quarter of 2010.

During the nine months ended September 30, 2011, operating loss (before losses on disposals of property and buildings) improved to a loss of ($133,000) from a loss of ($835,000) during the nine months ended September 30, 2010. Overall restaurant net sales decreased $2,601,000, or 29%, from $8,994,000 in the nine months ended September 30, 2010 to $6,393,000 in same period in 2011. The sales decrease was primarily attributable to the Company operating fewer restaurants in the 2011 period in accordance with its restructuring process. Sales at comparable restaurants increased 1.4% during the nine months ended September 30, 2011 as compared to the same period in 2010.

The restaurant operations' losses on disposals of property and buildings were ($94,000) during the nine months ended September 30, 2011 as compared to ($32,000) in the same period in the prior year. As a result, the operating loss (after losses on disposals of property and buildings) from the Company's restaurant operations decreased $640,000 to a loss of ($227,000) in the first nine months of 2011 compared to a loss of ($867,000) in the first nine months of 2010.

As of September 30, 2011, the Company operated seven restaurants in New England; four under the "Bickford's Grille" name and three under the traditional "Bickford's" name. During September 2011, the Company closed its Bickford's restaurant in Nashua, New Hampshire and exited its lease for this location. In addition, the Company leased five 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 four of these other properties to third parties and has an agreement pending to simultaneously buy and sell the fifth other property to a developer. Over the last eight years, the Company has systematically closed and sold underperforming restaurants to stem its exposure to the overall difficulties in the United States casual family restaurant market. Throughout this restructuring period, the Company has incurred costs related to the downsizing.

The above mentioned closed restaurant property that is not subleased to a third party has been under contract for the simultaneous purchase of the property from the landlord and the sale to a buyer since June 2010. However, the closing of this sale has been delayed as a result of the buyer experiencing difficulties in receiving municipal permits and approvals. The Company expects to close the purchase and sale of this property during 2012. In the meantime, the Company will continue to receive monthly payments from the proposed buyer for the continuation of the option to purchase the property, which are equal to the Company's monthly lease payment to its landlord.

Management believes the current core group of seven operating restaurants will significantly outperform the negative results endured over the past eight years. The trend in recent operating results of the restaurant operation is already bearing this out.

Cues Division. The Company's Cues Division is a leading manufacturer of video inspection equipment, repair equipment and asset management software serving the wastewater and environmental industries. During the third quarter of 2011, Cues Division net sales and operating income increased 18% and 37%, respectively, compared to the same period in 2010. During the nine months ended September 30, 2011, Cues Division sales and operating income increased 23% and 77%, respectively, compared to the same period in 2010. The increase in operating income during the third quarter of 2011 and the nine months ended September 30, 2011 was primarily related to the increase in sales and higher margins on equipment shipped during the third quarter of 2011 and the nine months ended September 30, 2011 compared to the same periods in 2010.

Similar to the sales backlog as of June 30, 2011, the Cues sales backlog as of September 30, 2011 continues to be higher than the same time in the prior year. As previously disclosed, management decided to reinstate the remaining half of the 2010 wage reductions during the second quarter of 2011.

Given the state of world infrastructure, management believes the long-term outlook for pipe inspection and repair equipment along with asset management software remains strong. However, competition continues to remain intense.

Corporate. Corporate operating expense increased $282,000, or approximately 170%, in the third quarter of 2011 as compared to the same period in 2010. As of September 30, 2011, the Company's outstanding line of credit was approximately $1,923,000 and there was approximately $6,077,000 available for additional borrowing under the credit facility. Management believes that cash generated by operations and funds available under its credit facility will be adequate to fund operations throughout 2011 and 2012. Consolidated interest expense decreased by $16,000, or approximately 12%, to $117,000 during the third quarter of 2011 as compared $133,000 in the same period in 2010.

In achieving operating income of $1,338,000 for the quarter ended June 30, 2011, the Company surpassed the threshold for reinstating the management fee payable to Cadmus Corporation ("Cadmus"), which had been suspended since 2002 due to shortfalls in operating income levels. The management agreement provides that the management fee is reinstated after the Company has operating income of at least $1,250,000 in any quarter. At this time management does not intend to pay the accrued management fee. The yearly management fee is currently approximately $1,188,000, payable in monthly installments of approximately $99,000. As a result, the Company recorded an accrued expense of approximately $99,000 per month beginning in July 2011 for the management fee payable to Cadmus. The yearly management fee will discontinue if the Company's yearly operating income is less than $4,000,000 in any future years, including the year ended December 31, 2011.

The Company's current book value of $4.20 per share includes no intangible assets.

Summary. Results in 2011 continue to be a significantly better for the Company overall as compared to the same periods in recently completed years, in part due to increased sales and improved results at its Cues division and the positive impact from the restructuring of its restaurant operations. Management expects this positive trend to continue as the exposure to restaurant fluctuations has been significantly diminished and the current outlook for pipe line infrastructure spending appears stable.

Unaudited	Three Months Ended September 30, 2011	Three Months Ended September 30, 2010	Nine Months Ended September 30, 2011	Nine Months Ended September 30, 2010
	(amounts in 000's, except per share data)			
Sales	$ 15,505	$ 14,455	$ 44,163	$ 39,839
Loss from sale/disposal of property and buildings	(18)	(10)	(94)	(32)
Operating income	768	574	2,755	745
Income tax benefit (expense)	25	(24)	(75)	(72)
Net income	$ 650	$ 413	$ 2,255	$ 247
Basic and diluted earnings per common share:	$ 0.16	$ 0.10	$ 0.56	$ 0.06
Basic and diluted weighted average shares	4,012	4,012	4,012	4,012

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, 2010 and the fiscal quarters ended March 31, 2011, June 30, 2011 and September 30, 2011 are located at www.otcmarkets.com under the symbol ELXS. Contact David M. Doolittle, (407) 849-0190 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.