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MORGAN'S FOODS SELLS UNPROFITABLE RESTAURANTS

Beachwood, Ohio (December 10, 1999) – Morgan's Foods, Inc., (AMEX:MR) (www.morgansfoods.com) building on its September 30, 1999 announcement related to its East Side Mario's restaurant segment, announced that it has sold four of the remaining five former East Side Mario's restaurant locations, to Steak & Ale, a division of Metromedia Restaurant Group, and is marketing the remaining location, which it recently closed, with the expectation of selling this location within several months. Morgan's had experienced significant operating losses in these restaurants over the past several years which will no longer be incurred.

“This transaction ends our acrimonious relationship with the East Side Mario's chain and allows us to enhance our efforts to increase shareholder value by enabling us to fully devote ourselves to our KFC and Taco Bell restaurants in which we have been successful,” said Leonard R. Stein-Sapir, Chairman and Chief Executive Officer.

The assets sold under this agreement include the real estate, real estate leases, equipment, and liquor licenses of the four restaurants. Of the four properties, one was a ground lease and the remaining three were land and building leases. The real estate related to two of the three land and building leases was bought out by the Company, and simultaneously sold to Steak & Ale. The total sales price for all four locations was approximately \$3,850,000. The Company will not report a significant gain or loss on the disposal of the assets.

Morgan's Foods, Inc. operates 93 KFC restaurants in five states, 13 of which also offer Taco Bell products, and 12 Taco Bell restaurants in the Pittsburgh, PA market.

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