

FOR IMMEDIATE RELEASE

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MORGAN'S FOODS ANNOUNCES ACQUISITION OF TWO KFC RESTAURANTS

Beachwood, Ohio (December 11, 1998) -- Morgan's Foods, Inc. (AMEX:MR) announced the acquisition of two KFC restaurants in Jamestown, New York and Warren, Pennsylvania. The restaurants were acquired from another KFC franchisee under an agreement which was previously announced. This acquisition marks the latest step in the Company's continuing efforts to expand its quick service restaurant portfolio. The two restaurants are expected to add approximately \$1.1 million in annual revenues to the Company. Financing for the transaction was provided by Captec Financial Group of Ann Arbor, Michigan.

Morgan's Foods, Inc. operates 47 KFC restaurants, three of which also offer Taco Bell products, in six states and five East Side Mario's restaurants in Cleveland/Akron and Columbus, Ohio.

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