

**FOR IMMEDIATE RELEASE**

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**MORGAN'S FOODS ANNOUNCES AGREEMENT  
TO PURCHASE 2 KFC RESTAURANTS**

Beachwood, Ohio (March 12, 1999) -- Morgan's Foods, Inc. (AMEX:MR) today announced that it has entered into an Asset Purchase Agreement to acquire two KFC restaurants in one of the Company's markets from an existing KFC franchisee. The transaction is expected to close in May 1999. The two restaurants are expected to add approximately \$1.4 million in annual revenues to the Company. Also, the Company is constructing a new KFC restaurant in Troy, IL which is expected to begin operating in May.

Morgan's Foods, Inc., which recently was recognized as a 35 year KFC franchisee, currently operates 47 KFC restaurants, three of which are KFC-Taco Bell "2n1" units, in six states and five East Side Mario's restaurants in Cleveland/Akron and Columbus, Ohio.

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