

FOR IMMEDIATE RELEASE

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MORGAN'S FOODS, INC. ADOPTS SHAREHOLDER RIGHTS PLAN

Beachwood, Ohio (April 9, 1999) -- Morgan's Foods, Inc. (AMEX:MR) announced today that on April 8, 1999 its Board of Directors has adopted a Shareholder Rights Plan in order to protect the interests of the Company and its shareholders if any hostile takeover activity should occur. The Company emphasized that adoption of the Plan is not in response to any acquisition proposal, and the Company is not aware of any such proposal.

Over 3,000 companies have adopted shareholder rights plans, including more than two-thirds of all S&P 500 companies and over one-half of all *Business Week* 1000 companies.

"The Shareholder Rights Plan protects our shareholders against coercive and abusive acquisition techniques, encourages a potential acquirer to negotiate directly with our Board for the benefit of all shareholders, allows the Board adequate time to consider a takeover proposal, and provides increased assurance that a potential acquirer would pay an appropriate premium for all the Company's Common Shares," said Leonard Stein-Sapir, Chairman of the Board and Chief Executive Officer.

To implement the Plan, the Board has declared a distribution of one Right for each of the Company's outstanding Common Shares. Each Right entitles the holder to purchase from the Company one one-thousandth of a Series A Preferred Share (a "Preferred Share") at a purchase price of \$30.00 per right, subject to adjustment. One one-thousandth of a Preferred Share is intended to be approximately the economic equivalent of one Common Share. The Rights will expire on April 7, 2009, unless redeemed by the Company as described below.

At the time of adoption of the Plan, the Rights are neither exercisable nor traded separately from the Common Shares. The Rights will become exercisable and begin to trade separately from the Common Shares if a person or group becomes the beneficial owner of 21% or more of the then-outstanding Common Shares or announces an offer to acquire 21% or more of the then-outstanding Common Shares.

If a person or group acquires 21% or more of the outstanding Common Shares, then each Right not owned by the acquiring person or its affiliates will entitle its holder to purchase, at the Right's then-current exercise price, fractional Preferred Shares that are approximately the economic equivalent of Common Shares (or, in certain circumstances, Common Shares, cash, property or other securities of the Company) having a market value equal to twice the then-current exercise price. In addition, if, after the Rights become exercisable, the Company is acquired in a merger or other business combination transaction with an acquiring person or its affiliates or sells 50% or more of its assets or earnings power to an acquiring person or its affiliates, each Right will entitle its holder to purchase, at the Right's then-current exercise price, a number of shares of the acquiring person's common stock having a market value of twice the Right's exercise price. The Board of Directors may redeem the Rights in whole, but not in part, at a price of \$.01 per Right, subject to certain limitations.

The dividend distribution will be made on May 12, 1999, payable to shareholders of record on that date. The initial distribution of Rights is not taxable to shareholders.

A summary of the Rights Plan will be mailed to all record holders of the Common Shares following that record date.

Morgan's Foods, Inc., which recently was recognized as a 35 year KFC franchisee, currently operates 48 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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