

FOR IMMEDIATE RELEASE

Contact: Kenneth L. Hignett
Senior Vice President, Chief Financial Officer & Secretary
(216) 360-7500

**MORGAN'S FOODS, INC. ANNOUNCES REVISED PLAN FOR COMPLIANCE WITH THE
CONTINUED LISTING STANDARDS OF THE AMERICAN STOCK EXCHANGE AND
EXPECTED VIOLATION OF LOAN COVENANTS**

Beachwood, Ohio (May 9, 2003) -- Morgan's Foods, Inc. (AMEX:MR) (www.morgansfoods.com) makes the following announcements:

American Stock Exchange Accepts Revised Business Plan

The Company received notice from the American Stock Exchange on April 30, 2003 that it has accepted the Company's revised business plan for regaining compliance with the listing standards of the Exchange. The Company continues to be out of compliance with certain of the continued listing standards of the Exchange, as has been reported previously in the Company's SEC filings, and was required to submit a revised plan to the Exchange indicating how the Company would achieve compliance with those standards. Specifically, the Company fell under the guidelines in Section 1003(a)(i) with shareholders' equity of less than \$2,000,000 and has sustained losses from continuing operations and/or net losses in two of its three most recent fiscal years; Section 1003(a)(ii) with shareholder's equity of less than \$4,000,000 and has sustained losses from continuing operations and/or net losses in three out of its four most recent fiscal years.

On March 25, 2003 the Company submitted a revised plan to the staff at the American Stock Exchange indicating how it would regain compliance with the continued listing standards. The Exchange has allowed the Company to continue its plan for compliance until August 17, 2003, the end of the Company's second fiscal quarter, at which time the Exchange will reassess the Company's compliance with the continued listing standards. During the term of the extension, the Exchange will monitor the Company's performance and the Company will be required to report to the Exchange any change in its performance which would be inconsistent with the business plan which was approved by the Exchange on April 30. The Exchange will continue to monitor the Company's performance periodically and any failure to meet the operating plan which was accepted by the Exchange could result in the commencement of delisting proceedings.

Morgan's Foods, Inc. Not In Compliance With Loan Covenants

The Company has submitted preliminary operating results for its fiscal year ended March 2, 2003 to its lenders for their annual calculation of the Company's compliance with the fixed charge coverage ratios required by its loan agreements. Audited results for the fiscal year ended March 2, 2003 are expected to be released to the public by June 2, 2003. Generally, the loan agreements require the maintenance of ratios between 1.2 and 1.5 to 1 for certain of the Company's restaurants and a consolidated ratio of 1.2 to 1. The calculations prepared by the Company show that it is not in compliance with the required ratios for many of its restaurants and is not in compliance with the required consolidated ratio. The

restaurants which are not in compliance secure approximately 68.5% of the Company's outstanding debt. All payments on the Company's debt have been and continue to be current and the Company believes that it will continue to be able to service the debt. The Company has not been in compliance with certain fixed charge coverage requirements during the past three fiscal years and waivers have been obtained for the violations. If the lenders determine that the Company is not in compliance, the Company intends to seek, and believes that it will be able to obtain, waivers of the current loan covenant violations but there can be no assurance that such waivers will be obtained. If waivers are not obtained, the Company will be required to classify the affected debt as current and the lenders will have certain remedies available to them which may include calling of the debt or acceleration of payments.

This document contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The statements include those identified by such words as "may," "will," "expect" "anticipate," "believe," "plan" and other similar terminology. The "forward-looking statements" reflect the Company's current expectations and are based upon data available at the time of the statements. Actual results involve risks and uncertainties, including both those specific to the Company as well as general economic and business risks.

Morgan's Foods, Inc. operates 76 KFC restaurants, 7 Taco Bell restaurants, 16 KFC/Taco Bell "2n1's", 3 Taco Bell/Pizza Hut Express "2n1" restaurants and 1 KFC/Pizza Hut Express "2n1" in six states.

###