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MORGAN'S FOODS ANNOUNCES FULL YEAR AND FOURTH QUARTER FISCAL 2009 RESULTS

Cleveland, Ohio (June 1, 2009) -- Morgan's Foods, Inc. (OTC:MRFD) (www.morgansfoods.com) announces full year and fourth quarter fiscal 2009 results.

For the fiscal year ended March 1, 2009, the Company reported $92,485,000 of revenue, a decrease of $3,833,000, or 4.0%, compared to fiscal 2008. The $3,833,000 decrease in restaurant revenues during fiscal 2009 was due mainly to a 2.6% decrease in comparable restaurant revenues, $1,830,000 in revenues in the fifty-third week of the Company's 2008 fiscal year and $1,201,000 of revenue lost from restaurants either temporarily or permanently closed, partially offset by $1,019,000 of additional revenue from new restaurants. The decrease in comparable restaurant revenue resulted from difficult economic conditions in the Company's geographic markets and the lack of effective new products and promotions from our franchisors.

Revenues for the 16 weeks ended March 1, 2009, were $25,716,000, a decrease of $2,793,000 compared to the 17 weeks ended March 2, 2008 primarily resulting from a 3.0% decrease in comparable restaurant revenues, $1,830,000 in revenues for the seventeenth week in the fourth quarter of the Company's 2008 fiscal year and $515,000 of lost revenue from restaurants either temporarily or permanently closed, partially offset by $321,000 of revenue from a new restaurant.

Net loss for fiscal 2009 was $(1,390,000) or $(0.47) per share ($0.47 diluted) compared to net income for fiscal 2008 of $414,000 or $0.14 per share ($0.14 diluted). For the fourth quarter of fiscal 2009 the net loss was $(776,000) or $(0.26) per share ($0.26 diluted) compared to a net loss of $(1,447,000) or $(0.50) per share ($0.49 diluted) for the fourth quarter of fiscal 2008. The Company's results for fiscal 2009 include a charge of $525,000 related to the early extinguishment of debt and $88,000 of stock option compensation cost. The Company's results for both the fourth quarter of fiscal 2008 and the full year contain a charge of $1,872,000 related to the early extinguishment of debt. The Company's margins were negatively affected during fiscal 2009 by increased labor and food costs due to commodity cost increases and lower efficiency due to reduced sales levels. Capital expenditures in fiscal 2009 were $3,626,000 compared to $8,215,000 in fiscal 2008 primarily as a result of 16 fewer restaurants being image enhanced during the 2009 fiscal year.

"We have managed through a very difficult time of higher costs and reduced operating margins. Economic conditions in our market areas have had a negative effect on our sales but we believe that our management team will continue to deliver the best possible results in this difficult environment. In addition we have begun to see some relief from the spike in food costs driven by high commodity pricing and, subsequent to the end of the 2009 fiscal year, the KFC system introduced the new Kentucky Grilled Chicken product which it appears will be highly successful." said Leonard R. Stein-Sapir, Chairman and Chief Executive Officer.

Forward-Looking Statements

Statements in this release that are not historical in nature are forward-looking statements. Forward-looking statements involve risks and uncertainties that could cause actual events or results to differ materially from those expressed or implied in this release. The forward-looking statements reflect the Company's current expectations, are based upon data available at the time of the statement. Such risks and uncertainties include both Company risks and uncertainties and general economic and industry risks and uncertainties. Such risks and uncertainties include, but are not limited to, the Company's debt covenant compliance, actions that lenders may take with respect to any debt covenant violations, the Company's ability to obtain waivers of any debt covenant violations or to pay all of its current and long-term obligations and those risks described in Part I Item 1.A.("Risk Factors") of the Company's Form 10-K for the fiscal year ended March 1, 2009. Economic and industry risks and uncertainties include, but are not limited to, franchisor promotions, business and economic conditions, legislation and governmental regulation, competition, success of operating initiatives and advertising and promotional efforts, volatility of commodity costs and increases in minimum wage and other operating costs, availability and cost of land and construction, consumer preferences, spending patterns and demographic trends. The Company does not undertake any obligation to publicly update or revise any forward-looking statements to reflect future events, information or circumstances that arise after the date of this release.

Morgan's Foods, Inc. operates a total of 92 restaurants in six states, being comprised of 68 KFC restaurants, 6 Taco Bell restaurants, 13 KFC/Taco Bell "2n1" restaurants, 3 Taco Bell/Pizza Hut Express "2n1's", 1 KFC/Pizza Hut Express "2n1" and 1 KFC/A&W "2n1".

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Table attached.

MORGAN'S FOODS, INC.
SELECTED FINANCIAL INFORMATION

	Fourth Quarter Ended		Fiscal Year Ended	
	March 1, 2009	March 2, 2008	March 1, 2009	March 2, 2008
Revenues	$ 25,716,000	$ 28,509,000	$ 92,485,000	$ 96,318,000
Cost of sales:				
Food, paper and beverage	7,989,000	8,802,000	29,695,000	29,524,000
Labor and benefits	7,754,000	8,801,000	26,850,000	27,404,000
Restaurant operating expenses	6,945,000	7,399,000	24,068,000	24,415,000
Depreciation and amortization	871,000	960,000	3,224,000	2,953,000
G&A expenses	1,838,000	1,829,000	5,740,000	6,111,000
Loss on restaurant assets	430,000	36,000	417,000	112,000
Operating income	(111,000)	682,000	2,491,000	5,799,000
Interest Expense:				
Prepayment and deferred financing costs	(97,000)	(1,872,000)	(525,000)	(1,872,000)
Bank debt and notes payable	(916,000)	(1,035,000)	(3,190,000)	(3,472,000)
Capital leases	(32,000)	(38,000)	(111,000)	(125,000)
Other income and expense, net	111,000	138,000	336,000	433,000
Income before income taxes	(1,045,000)	(2,125,000)	(999,000)	763,000
Income tax provision (benefit)	(269,000)	(678,000)	391,000	349,000
Net Income (loss)	$ (776,000)	$ (1,447,000)	$ (1,390,000)	$ 414,000
Basic net income (loss) per common share	$ (0.26)	$ (0.50)	$ (0.47)	$ 0.14
Diluted net income (loss) per common share	$ (0.26)	$ (0.49)	$ (0.47)	$ 0.14
Basic average number of shares outstanding	2,934,995	2,934,995	2,934,995	2,911,448
Diluted average number of shares outstanding	2,934,995	2,974,233	2,943,415	2,968,654

	March 1, 2009	March 2, 2008
ASSETS		
Current assets	$8,246,000	$8,285,000
Property and equipment, net	32,559,000	35,430,000
Deferred tax assets	594,000	766,000
Other assets	11,163,000	11,481,000
Total assets	$ 52,562,000	$55,962,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	$10,913,000	$13,620,000
Long-term debt	33,182,000	35,789,000
Long-term capital lease obligations	1,105,000	1,144,000
Other long-term liabilities	4,061,000	1,083,000
Deferred tax liabilities	2,130,000	1,853,000
Total shareholder's equity	1,171,000	2,473,000
Total liabilities and shareholders' equity	$52,562,000	$55,962,000