

FOR IMMEDIATE RELEASE

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

**MORGAN'S FOODS ANNOUNCES SUBMISSION OF AN APPLICATION TO HAVE ITS
COMMON SHARES REMOVED FROM LISTING ON THE AMERICAN STOCK EXCHANGE**

Beachwood, Ohio (June 29, 2004) -- Morgan's Foods, Inc. (AMEX:MR) (www.morgansfoods.com) makes the following announcement:

The Company continues to be out of compliance with certain of the continued listing standards of the American Stock Exchange, as has been reported previously in the Company's SEC filings and in shareholder communications during the last several years. 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 shareholders' 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.

The Company has not been in compliance with the aforementioned continued listing standards since June of 1997 and has provided periodic reports and analyses to the American Stock Exchange indicating its plans for achieving compliance with the standards. During this time, the Company has been near compliance several times but has not achieved compliance with the continued listing standards. Based on the Company's financial performance for its most current fiscal year ended February 29, 2004 compliance with the continued listing standards has not been achieved. The Board of Directors of the Company, after consultation with management and counsel, has determined that it is in the best interests of the Company to withdraw the Company's common shares from listing and registration on the American Stock Exchange. As a result, on June 29, 2004 the Company submitted an application to remove its common shares from listing on the Exchange. If the Company's application is accepted, the Company's shares will not be listed on any stock exchange and the liquidity of its common shares will likely be adversely affected. While the shares of the Company would be able to be traded in the over-the-counter market there can be no guarantee that a market for the shares will occur. The Company intends to request certain brokers to make a market in the shares, in which case their quotes would be listed in the "Pink Sheets" or in the OTC Bulletin Board. The Company cannot predict the extent to which this change may impact the liquidity of its common shares or the stock price.

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, 14 KFC/Taco Bell "2n1's", 3 Taco Bell/Pizza Hut Express "2n1" restaurants, 1 KFC/Pizza Hut Express "2n1" and 1 KFC/A&W "2n1" in six states.

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