

**FOR IMMEDIATE RELEASE**

Contact: Kenneth L. Hignett  
Senior Vice President, Chief Financial Officer & Secretary  
(216) 360-7500  
email:ken.hignett@morgansfoods.com

**MORGAN'S FOODS ANNOUNCES ACQUISITION OF TWO KFC RESTAURANTS**

Beachwood, Ohio (July 16, 1999) -- Morgan's Foods, Inc. (AMEX:MR) ([www.morgansfoods.com](http://www.morgansfoods.com)) announced the acquisition of two KFC restaurants in Erie, Pennsylvania. The restaurants were acquired from another KFC franchisee under an agreement which was previously announced. This acquisition continues the Company's expansion of its quick service restaurant portfolio. The two restaurants are expected to add approximately \$1,400,000 in annual revenues to the Company. Financing for the transaction was provided by Captec Financial Group of Ann Arbor, Michigan.

Morgan's Foods, Inc., recently was recognized as a 35 year KFC franchisee. Morgan's operates 93 KFC restaurants, 15 of which are KFC/Taco Bell "2n1" units, and 12 separate Taco Bell restaurants in six states, as well as five East Side Mario's restaurants in Cleveland/Akron and Columbus, Ohio.

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