

FOR IMMEDIATE RELEASE

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MORGAN'S FOODS ANNOUNCES ACQUISITION OF TWO KFC RESTAURANTS

Beachwood, Ohio (September 16, 1998) -- Morgan's Foods, Inc. (AMEX:MR) announced the acquisition of two KFC restaurants in the St. Louis, Missouri market area. The restaurants were acquired from another KFC franchisee under an agreement which was previously announced. This acquisition marks the latest step in the Company's continuing efforts to expand its quick service restaurant portfolio. The two restaurants are expected to add approximately \$1.2 million in annual revenues to the Company. Financing for the transaction was provided by Captec Financial Group of Ann Arbor, Michigan.

Morgan's Foods, Inc. operates 45 KFC restaurants in five states and six East Side Mario's restaurants in Cleveland/Akron and Columbus, Ohio.

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