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**MORGAN'S FOODS ANNOUNCES SECOND QUARTER
FISCAL 2000 RESULTS**

Beachwood, Ohio (September 30, 1999) -- Morgan's Foods, Inc. (AMEX:MR) (www.morgansfoods.com) today announced financial results for the second quarter of its 2000 fiscal year. For the quarter ended August 15, 1999, the Company reported revenues of \$13,589,000, compared to revenues of \$7,659,000 for the quarter ended August 16, 1998. Revenues for the twenty-four weeks ended August 15, 1999 were \$21,912,000 compared to \$14,742,000 for the comparable year earlier period.

The revenue increases in the quarter and twenty-four weeks were primarily the result of operating ten additional KFC restaurants for the full periods reported and 42 KFC and 12 Taco Bell restaurants since July 14, 1999, partially offset by comparable restaurant revenue declines of 3.3% in the quarter and 2.5% in the twenty-four weeks. KFC revenues in the prior year were especially strong due to successful promotions of chicken strips while the current year promotions, especially the Star Wars promotion, were not as effective.

Operating income for the fiscal 2000 second quarter increased to \$1,283,000 from \$605,000 in fiscal 1999, primarily due to the operation of 64 more restaurants during the last half of the second quarter. Operating income for the twenty-four weeks ended August 15, 1999 was \$1,656,000 compared to \$1,158,000 in the year earlier period. Net income from continuing operations in the second quarter of fiscal 2000 was \$575,000 or \$.20 per share compared to \$388,000 or \$.13 per share in the second quarter of fiscal 1999 and \$675,000 or .23 per share for the twenty-four weeks ended August 15, 1999 compared to \$731,000 or \$.25 per share for the twenty-four weeks ended August 16, 1998. During the second quarter of fiscal 2000, the Company made the decision to discontinue the operations of its East Side Mario's restaurant segment and reported a loss from discontinued operations of \$291,000 in the second quarter of fiscal 2000 compared to a loss of \$272,000 for the comparable year earlier period. The loss from discontinued operations was \$629,000 for the twenty-four weeks ended August 15, 1999 and \$667,000 for the twenty-four weeks ended August 16, 1998. The Company has entered into a letter of intent to sell four of the remaining five East Side Mario's restaurant locations which it operates and is marketing the remaining location with the expectation of completing the sale of the four locations by November 1999 and the last location within several months. Net income for the second quarter of fiscal 2000 was \$284,000 or \$.10 per share compared to \$116,000 or \$.04 per share for the fiscal 1999 second quarter and \$46,000 or \$.02 per share for the twenty-four weeks ended August 15, 1999 compared to \$64,000 or \$.02 per share for the twenty-four weeks ended August 16, 1998.

During the current fiscal year, the Company has made capital expenditures of \$35,100,000. These capital expenditures included the building of two new KFC restaurants, relocation of an existing KFC restaurant and the acquisition of 56 KFC and Taco Bell restaurants.

Morgan's Foods, Inc. operates 92 KFC restaurants in five states, 13 of which also offer Taco Bell products, 12 Taco Bell restaurants in the Pittsburgh, PA market and five East Side Mario's restaurants in Cleveland/Akron and Columbus, Ohio.

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Table Attached.

MORGAN'S FOODS, INC.

SELECTED FINANCIAL INFORMATION

	Quarter Ended		Twenty-Four Weeks Ended	
	August 15, 1999	August 16, 1998	August 15, 1999	August 16, 1998
Revenues	\$13,589,000	\$ 7,659,000	\$21,912,000	\$14,742,000
Cost of sales:				
Food, paper and beverage	4,028,000	2,404,000	6,538,000	4,498,000
Labor and benefits	3,382,000	1,714,000	5,479,000	3,415,000
Restaurant operating expenses	3,510,000	1,981,000	5,754,000	3,780,000
Depreciation and amortization	493,000	326,000	818,000	653,000
General and administrative expenses	893,000	629,000	1,667,000	1,238,000
Operating income	1,283,000	605,000	1,656,000	1,158,000
Interest expense:				
Bank debt and notes payable	(612,000)	(201,000)	(893,000)	(394,000)
Capital leases	(24,000)	(24,000)	(36,000)	(46,000)
Loss on disposal of restaurant assets	(79,000)	(5,000)	(79,000)	(8,000)
Other income	10,000	20,000	26,000	32,000
Income from continuing operations before provision for income taxes	578,000	395,000	674,000	742,000
Provisions for income taxes	3,000	7,000	(1,000)	11,000
Income from continuing operations	575,000	388,000	675,000	731,000
Loss from discontinued operations net of income tax	(291,000)	(272,000)	(629,000)	(667,000)
Net income	\$ 284,000	\$ 116,000	\$ 46,000	\$ 64,000
Earnings (loss) per common share:				
Continuing operations	\$.20	\$.13	\$.23	\$.25
Discontinued operations	(.10)	(.09)	(.21)	(.23)
Net income	\$.10	\$.04	\$.02	\$.02
Weighted average number of shares outstanding	2,910,839	2,910,839	2,910,839	2,910,839

	August 15, 1999	February 28, 1999
ASSETS		
Current assets	\$10,583,000	\$ 3,243,000
Property and equipment, net	37,932,000	18,392,000
Other assets	14,299,000	2,376,000
Total assets	\$62,814,000	\$24,011,000
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	\$14,106,000	\$ 5,425,000
Long-term debt	46,615,000	13,094,000
Long-term capital lease obligations	799,000	4,244,000
Shareholders' equity	1,294,000	1,248,000
Total liabilities and shareholders' equity	\$62,814,000	\$24,011,000

