



**Press Release – For Immediate Distribution**

**MEGA BRANDS TO EXPLORE SALE OF  
STATIONERY AND ACTIVITIES BUSINESS  
AS PART OF VALUE ENHANCEMENT PLAN**

**MONTREAL, March 5, 2008** – MEGA Brands Inc. (TSX: MB) (the “Company”) today announced that following a comprehensive strategic review, it intends to explore a sale of its Stationery and Activities business. The Company believes that this initiative will bring significant benefits:

- Focus MEGA Brands on its core toy business, leveraging its strengths and innovation culture
- Dedicate resources and management’s attention to creating value through the execution of the Value Enhancement Plan
- Provide the Company with a stronger and more flexible capital structure

"As previously announced in December, 2007, the Company has been pursuing a Value Enhancement Plan to enhance shareholder value and respond to market challenges. The sale of the Company's Stationery and Activities business is being considered as a means of generating meaningful cash proceeds to reduce its existing debt and allow the Company to place increased focus on its core toy business," said Marc Bertrand, President and CEO of MEGA Brands. "Our Stationery and Activities business has consistently delivered solid performance. This is a strong business with solid market positions in North America and we believe it would be an attractive acquisition to both strategic and financial buyers."

Stationery and Activities is a leading participant in the North American school supplies and arts & crafts markets. Product lines are comprised of art materials (crayons, colored pencils, highlighters and markers) sold mainly under the ROSE ART brand; writing instruments (pens, mechanical pencils and wood case pencils) sold mainly under the ROSE ART, SRX and USA GOLD brands; dry-erase and cork presentation boards, organizers and accessories sold mainly under the BOARD DUDES brand, and ROSE ART craft and activity sets. The business generated sales in excess of \$200 million in 2007.

There can be no assurance that the evaluation process initiated by the Company will result in a transaction, or that it will be completed in a specific time frame.

Separately, the Company acknowledges that in addition to several other unsolicited expressions of interest for the Stationery and Activities business, it has received a letter from the former owners of Rose Art expressing an interest in acquiring this business but providing no particulars. This expression of interest is considered by the Company in the context of its ongoing litigation initiated by the former Rose Art owners against the Company.



### **About MEGA Brands**

MEGA Brands is a trusted family of leading global brands in construction toys, games & puzzles, arts & crafts and stationery. We offer engaging creative experiences for children and families through innovative, well-designed, affordable and high-quality products that deliver on our Creativity to the Rescue promise. For more information, please visit <http://www.megabrands.com>.

The MEGA logo, Creativity to the Rescue, MEGA BLOKS, ROSE ART, MAGNETIX, BOARD DUDES and MAGNEXT are trademarks of MEGA Brands Inc. or its affiliates.

### **Forward-looking Statements**

All statements in this press release that do not directly and exclusively relate to historical facts constitute "forward-looking statements". These statements represent the Corporation's intentions, plans, expectations and beliefs. In certain instances, these statements require us to make assumptions and there is significant risk that these assumptions may not be correct. Furthermore, these statements are subject to risks, uncertainties and other factors, many of which are beyond the Corporation's control. The Corporation disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, other than as required by applicable legislation. Readers are cautioned not to place undue reliance on these forward-looking statements. More information about the risks that could cause our actual results to significantly differ from our current expectations can be found in the "Risks and Uncertainties" section of our 2006 and third quarter 2007 MD&A.

### **ANALYSTS AND INVESTORS**

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