

Press Release - For Immediate Distribution

MEGA BRANDS ANNOUNCES MAGNETIX RELATED CHARGES FOR THE FOURTH QUARTER 2007

MONTREAL, March 18, 2008 – MEGA Brands Inc. (TSX: MB) (the “Company”) announced today that as part of its decision to explore the sale of its Stationery and Activities business previously announced on March 5, 2008, the Company is requesting amendments to its Credit Agreement.

“The response from stakeholders to our decision to explore the sale of our Stationery and Activities business has been positive. Our objective in requesting amendments to our Credit Agreement is to ensure an orderly process that will maximize the value of these assets,” stated Marc Bertrand, President and CEO of MEGA Brands.

As part of discussions with its lending group, MEGA Brands is disclosing certain preliminary unaudited financial information for the fourth quarter ended December 31, 2007. The Company has not completed its closing procedure for the fourth quarter and full-year 2007 financial statements and the finalization of key estimates is outstanding, including the impairment tests on intangible assets and goodwill. Consequently, the information disclosed today is subject to change. The Company expects to announce audited fourth quarter and full-year 2007 financial results before markets open on March 31, 2008.

For the 2007 fourth quarter, the Company expects earnings from operations to be impacted by charges totaling approximately \$30 million. They consist principally of approximately \$18 million for charges related to the Magtastik and MagnaMan recall announced on March 17, 2008 and additional charges related to the Magnetix recall announced on April 19, 2007. The charges also include a write off of approximately \$7 million of Magnetix-related intangibles and fixed assets in anticipation of the launch of its new MagNext product line in 2008. The remaining \$5 million of charges represents a reserve for outstanding and potential claims against the Company.

Most of the cash flow impact resulting from these charges has been incurred. The Company expects the future cash impact of such charges to be approximately \$5 million.

Conference Call Advisory

An analyst conference call will be held at 8:30 a.m. on March 31, 2008 to discuss the fourth quarter and full-year 2007 financial results. Participants may listen to the call by dialing **1 (800) 732-9303**.

For those unable to participate, a replay will be available until April 8, 2008. The replay phone number is **1 (416) 640-1917**, access code **21265367#**.

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.megabrand.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. Investors should also be aware that the Company has not yet finalized its results for the fourth quarter and full year 2007 and that the Company's expectations regarding charges referred to in this press release reflect management's estimates based upon the information available at the time made. These estimates could differ materially from actual results if the information on which the estimates were based ultimately proves to be incorrect or incomplete.

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