



MEGA BRANDS COMMENTS ON PROGRESS OF VALUE ENHANCEMENT PLAN

MONTREAL, June 27, 2008 – MEGA Brands Inc.(TSX: MB) today reported on the progress to date in the implementation of the corporation's Value Enhancement Plan during the Annual Meeting of Shareholders held in Montreal.

“The actions we are taking are designed to restore sales growth, profitability and financial flexibility,” stated President and CEO Marc Bertrand. “Our absolute priority is to restore the value of the company.”

Cost reduction actions under the Efficiencies initiative have been implemented and are expected to generate \$12 million of annualized cost savings beginning in the second half of 2008.

Implementation of actions under the Operations and Supply Chain initiative is underway following an assessment and recommendations by an external supply chain consultancy. As previously disclosed, the objective of this initiative is annual cash flow savings of \$15-30 million.

The Products and Customers initiative targets margin improvement, mainly through increased sales of higher margin products and price adjustments to offset cost inflation. The Corporation is launching several new product lines in the second half of 2008 and believes that its overall product assortment in the boys 5+ category is stronger than in 2007, as reflected in higher listings from retailers.

Management also reported that it was in the process of evaluating bids for its Stationery and Activities business and that the sale process is progressing as expected.

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>.

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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 MEGA Brands' 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 MEGA Brands' control. These factors include and are not restricted to: financing and interest rate matters, difficulty in predicting consumer preferences and development and acceptance of new products, risks related with product recalls, litigation and its inherent uncertainty, realization of synergies, international operations, insurance coverage, growth or profitability, dependence on a few large customers, fluctuations in the price of plastic resins and other raw materials, fluctuations in currency rates, seasonality of toy and stationery industries, risks related to licensed products, retail environment, and construction toy litigation, as well as risks related to the successful implementation of the Value Enhancement Plan and the successful sale of our Stationery and Activities business. The words "believe", "estimate", "expect", "intend", "anticipate", "foresee", "plan", and similar expressions and variations thereof, identify certain of such forward-looking statements, which speak only as of the date on which they are made. MEGA Brands 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. You 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 MEGA Brands' 2007 annual MD&A and Q1 2008 MD&A..

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