



TO: News editors, assignment editors, reporters and columnists: business, finance and investment news

FROM: Mega Bloks Inc.

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RE: News release – For immediate distribution

**MEGA BLOKS COMMENTS ON DEVELOPMENTS IN GERMANY:
THE LARGEST EUROPEAN MARKET SHOWS SIGNS OF OPENING UP**

MONTREAL, December 8, 2004 — Mega Bloks Inc. (TSX: MB) On December 2, 2004, in a matter involving Lego and another toy maker, Germany's highest court, the Federal Court of Justice, decided that Lego would no longer benefit from a forty year old legal principle insulating it from direct competition in the form of compatible products marketed by third parties. In the court's subsequent press release regarding the decision, the protectionist *Klemmbausteine* doctrine was described as being out of synch with developments in European unfair competition law and criticized by legal commentators.

"We expect this decision to benefit Mega Bloks in years to come, given that Germany is the world's second largest construction toy market at approximately US\$250 million," stated Marc Bertrand, the company's President and CEO. "With our established distribution in all major retail channels in Germany and our Nuremberg based sales force, we will be poised to increase our presence in this key market and give greater choice to German consumers, once the overall legal position is clarified," he added.

About Mega Bloks

Mega Bloks creates high quality, fun and educational construction toys that inspire kids and parents to play and learn together. The MEGA BLOKS® system features basic and themed construction toys for boys and girls of all ages. Headquartered in Montreal, Mega Bloks is a global organization employing approximately 1000 people with sales in over 100 countries.

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