



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

FROM: Mega Bloks Inc.

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**MEGA BLOKS COMMENTS ON CANCELLATION OF LEGO'S
DESIGN TRADEMARK IN GERMANY**

MONTREAL, March 21, 2005 – Mega Bloks Inc. (TSX: MB) Mega Bloks has learned of a decision of the German Patent and Trademark Office canceling a 2x4 stud block design trademark registration in the name of an affiliate of the Lego group of companies. The decision was issued on February 2, 2005 further to a petition filed by Best-Lock (Europe) Limited, another toy manufacturer, but effectively declared invalid for the benefit of all interested parties Lego's registration for a three-dimensional depiction of an interlocking toy block of the kind manufactured by many companies, including Mega Bloks.

Significantly, the invalidated trademark registration was like the one, which the European Office for the Harmonization of the Internal Market ("OHIM") cancelled in its decision of July 30, 2004. Lego has appealed from the latter decision and may also appeal the German Patent and Trademark Office decision of February 2. The Company notes that the tribunals of various European countries whose laws are harmonized under the EU Directive on Trademarks have likewise cancelled Lego's three-dimensional block design trademarks or not allowed them to proceed to registration to begin with.

"With this latest development, Mega Bloks intends to launch its complete range of construction toys in Germany," said Marc Bertrand, the Company's President and CEO. "We look forward to leveraging our many strengths to broaden our presence in Germany now that the legal barriers have been cleared away," he added.

By the Company's own estimates and independent research, the German construction toy segment accounts for annual wholesale shipments of US\$250 million. Mega Bloks has

an established presence in Germany both as a brand and, corporately, with a permanent sales support office in the Nuremberg area.

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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Source: Mega Bloks Inc.

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