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MEGA BRANDS ANNOUNCES THE COMPLETION OF $78.3 MILLION OFFERING OF COMMON SHARES

MONTREAL, Quebec, July 25, 2007 – MEGA Brands Inc. (TSX: MB) announces the completion of a public offering of 3,850,000 common shares at a price of C$20.35 per share for gross proceeds of C$78.3 million. The underwriter for the offering of common shares was BMO Capital Markets.

Mega Brands has granted the underwriter an over-allotment option to acquire an additional 577,500 common shares at a price of C$20.35 per common share, which may be exercised during the next 30-day period.

The net proceeds of the offering will be used to reduce the Company's revolving credit facilities.

The securities offered have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold within the United States absent registration or an applicable exemption from the registration requirements. This Press Release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any State in which such offer, solicitation or sales would be unlawful.

Forward-looking Statements

All statements in this Press Release 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 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. 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 annual 2006 and first quarter 2007 MD&A.

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 and BOARD DUDES are trademarks of MEGA Brands Inc. or its affiliates.

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