



## **INDEPENDENT SPECIAL COMMITTEE REJECTS LARRY ROSEN'S ALLEGATION**

**Montreal, September 16, 2008** - MEGA Brands Inc. (TSX:MB) announces today that an independent special committee of its Board of Directors has concluded that no action should be taken by the company in response to allegations made by a former principal of Rose Art Industries Inc., of insider trading by certain MEGA Brands' officers in 2005 and 2006. Mr. Larry Rosen filed an application for leave to commence proceedings on behalf of the company based on such allegations in Ontario Superior Court on September 10, 2008.

When the Company was initially informed of these allegations, the Board of Directors formed a special committee, consisting solely of independent directors, which retained independent legal advisors Fasken Martineau DuMoulin LLP, a leading law firm with recognized expertise in securities law and corporate governance matters, to carry out a full and comprehensive investigation of such allegations and to report back with their conclusions. The special committee received and reviewed the Fasken Martineau report. The special committee concluded that no action should be taken. Its recommendation was considered, voted on and unanimously approved at a meeting of the Board of Directors comprised solely of independent directors.

### **About MEGA Brands**

MEGA Brands is a trusted family of leading global brands in construction toys, games & puzzles, arts & crafts and stationery. They 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. Visit <http://www.megabrands.com> for more information.

The MEGA logo, Creativity to the Rescue, Mega Bloks, Rose Art, MagNext and Board Dudes are trademarks of MEGA Brands Inc. or its affiliates.

-30-

### **ANALYSTS AND INVESTORS:**

Eric Phaneuf  
514.333.5555 ext. 2538  
[ephaneuf@megabrands.com](mailto:ephaneuf@megabrands.com)

### **MEDIA:**

Harold Chizick  
514.333.5555 ext. 2338  
[hchizick@megabrands.com](mailto:hchizick@megabrands.com)