



MEGA BRANDS WINS LITIGATION SETTLEMENT

MONTREAL, November 9, 2009 – MEGA Brands Inc. (TSX: MB) is pleased to announce the settlement of all outstanding litigation with Lawrence Rosen, Jeffrey Rosen and Sydney Rosen (the “Rosens”). The Rosens filed suit in 2006 claiming earnout payments and damages relating to the Rose Art acquisition. MEGA Brands countersued claiming the Rosens withheld and misrepresented information about serious defects in the Magnetix product line purchased as part of the transaction.

“This is great news for our company. The settlement validates our long-standing view that serious defects in Magnetix were not disclosed to MEGA Brands before it acquired Rose Art. It also justifies the company’s decision to dispute the Rosens’ claim to an earnout,” said Marc Bertrand, President and CEO of MEGA Brands. “A settlement of this magnitude mid-trial speaks volumes to the merits of our case.”

Under the terms of the settlement, MEGA Brands will receive cash of approximately \$17.2 million. In addition, the Rosens forego all claims for additional consideration which totalled \$54.8 million. As a result, the Corporation will record a recovery of \$72 million in its results for the third quarter ended September 30, 2009.

The Corporation expects to report its third quarter ended results on November 13, 2009.

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 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 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 2008 annual MD&A and Q2 2009 MD&A.

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 Trusted Brands promise. Visit <http://www.megabrands.com> for more information.

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