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**MEGA BRANDS ANNOUNCES COMPLETION OF CDN\$110 MILLION  
SUBSCRIPTION RECEIPT OFFERING**

**Montreal – January 28, 2010** – MEGA Brands Inc. (TSX: MB) (“**MEGA Brands**” or the “**Corporation**”) today announced the completion of a public offering of Class A subscription receipts and Class B subscription receipts (the “**Subscription Receipts**”) for gross proceeds of CDN \$110.0 million, taking into account \$10.0 million of proceeds resulting from the exercise in full of the over-allotment option. The underwriter for the offering was GMP Securities L.P.

This offering was undertaken as part of a recapitalization transaction initiated by the Corporation and announced by way of a press release on January 14, 2010, which contains the full details.

The proceeds of the offering, net of certain underwriter fees and other costs and expenses of the offering, will be held in accordance with the Subscription Receipt Indenture pursuant to which they are being issued and only released to the Corporation in accordance with the terms of that agreement on the effective date of the recapitalization.

As a result of this offering, the Corporation will issue CDN \$71.5 million principal amount of Debentures, 77.0 million Common Shares and 103.4 million Warrants on the effective date of the recapitalization transaction.

The Class A subscription receipts and the Class B subscription receipts are listed on the Toronto Stock Exchange (the “**TSX**”) under the symbols “**MB.R**” and “**MB.N**”, respectively. The Common Shares of MEGA are listed under the symbol “**MB**”.

The Subscription Receipts, Debentures, Warrants and Common Shares offered have not been registered under the U.S. Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an exemption from the registration requirements of that Act. 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.

**About MEGA Brands Inc.**

MEGA Brands Inc. 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. Visit <http://www.megabrands.com> for more information.

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

## **Forward-Looking Statements**

All statements in this press release that do not directly and exclusively relate to historical facts constitute “forward-looking information” within the meaning of applicable Canadian securities laws. These statements represent the Corporation’s intentions, plans, expectations and beliefs. Readers are cautioned not to place undue reliance on these forward-looking statements. Forward-looking information and statements are based on a number of assumptions and involve risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by them, including, but not limited to risks, assumptions and uncertainties described in the Corporation’s preliminary short form prospectus in respect of the offering of Subscription Receipts as well as in the documents incorporated by reference therein including the Corporation’s management’s discussion and analysis for the year ended December 31, 2008 and for the interim period ended September 30, 2009, and the Corporation’s annual information form, which are available at [www.sedar.com](http://www.sedar.com). The Corporation disclaims any intention or obligation to publicly update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by applicable law.

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