

SPECIAL MEETINGS OF MEGA BRANDS AND SUPPLEMENTAL INFORMATION

Montreal – March 12, 2010 MEGA Brands Inc. (TSX: MB) (the “**Corporation**”) wishes to remind holders of its senior secured debt and common shares that special meetings to vote on its proposed recapitalization transaction will take place on Tuesday, March 16, 2010, at the Hotel Omni Mont-Royal, Salon Printemps, 1050 Sherbrooke Street West, Montréal, Québec, at 9:30 a.m. and 10:00 a.m., respectively.

Shareholders and secured lenders should now have received, either directly from the Corporation or through their intermediary, a copy of the management proxy circular with respect to the proposed transaction dated February 15, 2010 (the “**Circular**”). A copy of the Circular is available in the Corporation’s profile on SEDAR (www.sedar.com). Shareholders and secured lenders are urged to read the Circular. Proxies must be received not later than 5:00 p.m. Montreal time on March 15, 2010.

The Board of Directors of the Corporation unanimously recommends that common shareholders and secured lenders vote in favour of the transaction. Glass Lewis & Co. and RiskMetrics Group, leading providers of proxy research and voting recommendations to institutional shareholders, have recommended that common shareholders vote in favour.

Supplemental Information

The Corporation disclosed in the Circular that the number of securities to be issued in connection with the transaction is subject to an adjustment in the event that closing occurs after May 15, 2010. Although the Corporation expects the transaction to be completed on or about March 31, 2010, subject to receiving the required approvals and other conditions of closing, the Corporation wishes to provide additional disclosure regarding the possible change in the maximum number of securities issuable in connection with the transaction in the event closing occurs after May 15, 2010. This information is presented in section 1 of the attached Schedule “A”, which is deemed incorporated into the Circular and should be read in conjunction therewith. The Corporation is also amending the wording of the Shareholders’ Arrangement Resolution (as defined in the Circular) in the manner set out in section 2 of Schedule “A” to reflect the maximum possible amount of securities issuable.

The Corporation will file an amended Arrangement Agreement and Plan of Arrangement on SEDAR, and with the Superior Court of Quebec to reflect the foregoing possible adjustments and certain other modifications.

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, including statements regarding the Corporation’s expectation regarding the closing date of the recapitalization transaction and the number of shares that will be outstanding upon completion of the recapitalization transaction. 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 the risks, assumptions and uncertainties described in the Circular as well as 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. 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.

Contacts:

Peter Ferrante
Chief Financial Officer
Tel: (514) 333-5555 ext. 2283

Eric Laniel
Manager, Treasury & Investor Relations
(514) 333-5555 ext. 2620

SCHEDULE A

Terms not otherwise defined herein are defined in the Circular.

Section 1

Throughout the Circular pro-forma information is provided in order to demonstrate the effect that completion of the Recapitalization would have on a number of metrics relating to the Corporation's capital structure, as well as the effect that completion of the Recapitalization would have on the Existing Shareholders and the Lenders. Consistent with the Corporation's present expectation, such pro-forma information has been calculated based on the assumption that the Recapitalization will close, and the Effective Date will occur, before May 15, 2010 (which is defined as the "Outside Date").

In the event that the holders of Subscription Receipts agree to an extension of the Outside Date beyond May 15, 2010, allowing for an Effective Date after such date, as disclosed at pages 56 and 57 of the Circular, all Subscription Receipts shall be adjusted such that upon conversion on the Effective Date the principal amount of the Debentures and the number of Common Shares and Warrants to which each holder of Subscription Receipts is entitled on conversion is increased by 10%. In addition, the Private Units shall be adjusted such that the principal amount of the Debentures and the number of Common Shares and Warrants to which each holder of Private Units is entitled on the Effective Date is increased by 10% and the number of Common Shares to be issued to holders of the Secured Debt pursuant to the Debt Cancellation will also be increased by 10%. Similarly, the principal amount of the Debentures and the number of Common Shares and Warrants to which each holder of the Convertible Debentures is entitled on the Effective Date will be increased by 10%. See "*Description of the Recapitalization*" and "*Description of the Subscription Receipts - Adjustment of Subscription Receipts*".

The following section provides certain pro-forma information demonstrating the effect that completion of the Recapitalization would have if the Outside Date were extended beyond May 15, 2010 and the above mentioned adjustments became applicable.

Description of Public Units and Private Units

If the Effective Date were to occur after May 15, 2010 each Debt Unit would be comprised of one Debenture in the principal amount of \$1,100 and 880 Warrants, each Equity Unit would be comprised of 220 Common Shares and 132 Warrants and each Private Unit would be comprised of one Debenture in principal amount of \$1,100, 2,200 Warrants and 2,200 Common Shares.

Issuance of Securities Pursuant to Recapitalization

If the Effective Date were to occur after May 15, 2010, the consummation of the Recapitalization, pursuant to the steps outlined in the Plan of Arrangement would involve the following issuances of securities by the Corporation:

- the \$121.25 million of Private Units issued to the Private Investors pursuant to the Private Placement would result in the issuance by the Corporation of \$66.7 million principal amount of Debentures, 142.0 million Common Shares and 142.0 million Warrants;
- upon conversion of the Subscription Receipts into Public Units the Corporation would issue CDN\$73.8 million principal amount of Debentures, 84.7 million Common Shares and 113.7 million Warrants;
- as part of the Debt Cancellation the Corporation would issue \$35.88 million of Common Shares which would result in the issuance by the Corporation of 84.1 million Common Shares; and
- the \$15.0 million of Private Units issued to Convertible Debentureholders pursuant to the Convertible Cancellation would result in the issuance by the Corporation of \$8.3 million principal amount of Debentures, 17.6 million Common Shares and 17.6 million Warrants.

Treatment of Existing Shareholders

If the Effective Date were to occur after May 15, 2010, as part of the Recapitalization, the Corporation would issue approximately 328.4 million New Common Shares and 273.4 million Warrants exercisable to acquire 273.4 million Common Shares. After giving effect to the Recapitalization, approximately 365.0 million Common Shares would be issued and outstanding and approximately 638.4 million Common Shares would be outstanding on a fully diluted basis. This compares to 36.6 million Common Shares issued and outstanding as of the Record Date (61.2 million Common Shares outstanding on a fully diluted basis assuming the conversion of the Convertible Debentures). As a result, Existing Shareholders would own approximately 10.0% of the Common Shares issued and outstanding at the closing of the Recapitalization, and approximately 5.7% on a fully diluted basis. The issuance of approximately 328.4 million New Common Shares pursuant to the Recapitalization and of 273.4 million Common Shares issuable upon exercise of the Warrants would represent dilution of Existing Shareholders totalling 1643.6% over the current 36.6 million Common Shares issued and outstanding. Interested Parties would acquire approximately 142.0 million New Common Shares pursuant to the Recapitalization and would be able to acquire a further 142.0 million Common Shares upon the exercise of the Warrants, which would represent approximately 675.9% of the total potential 1643.6% dilution.

The information with respect to Common Shares and Debentures following the Effective Date presented above was calculated based on an exchange rate of 0.9390 USD/CDN, being the noon spot rate of the Bank of Canada on January 31, 2010. However, because such information also assumes completion of the Convertible Cancellation and the Debt Cancellation, this information is subject to change to the extent that the exchange rate used for the purposes of the Debt Cancellation and the Convertible Cancellation differs from 0.9390 USD/CDN. See “*Description of the Recapitalization*” and “*Description of the Recapitalization - Treatment of Lenders and Convertible Debentureholders*”

Section 2

In order to account for the potential adjustments to the number of securities to be issued if the Effective Date were to occur after May 15, 2010 paragraph 3 of the Shareholders’ Arrangement Resolution is replaced with the text set out below:

“3. the issuance by the Corporation of (a) upon conversion of the class A subscription receipts of the Corporation in accordance with their terms, the debt units (the “**New Debt Units**”), each comprised of one 10% senior secured debenture of the Corporation (the “**New Debentures**”) and 800 common share purchase warrants of the Corporation having the terms described in the indenture in respect of such warrants entered into between the Corporation and CIBC Mellon Trust Company as of January 28, 2010 (the “**New Warrants**”) (or, in the event that the Effective Date occurs after May 15, 2010, each comprised of one New Debenture in the principal amount of \$1,100 and 880 New Warrants); (b) upon conversion of the class B subscription receipts of the Corporation in accordance with their terms, the equity units (the “**New Equity Units**”), each comprised of 200 common shares of the Corporation and 120 New Warrants (or, in the event that the Effective Date occurs after May 15, 2010, each comprised of 220 common shares of the Corporation and 132 New Warrants); (c) the units (the “**Private Units**”) comprised of one New Debenture, 2,000 common shares of the Corporation and 2,000 New Warrants (or, in the event that the Effective Date occurs after May 15, 2010, each comprised of one New Debenture in the principal amount of \$1,100, 2200 common shares of the Corporation and 2200 New Warrants); (d) an aggregate of approximately 298.5 million (or, in the event that the Effective Date occurs after May 15, 2010, approximately 328.4 million) common shares of the Corporation to be issued in connection with the transactions contemplated by the Plan, including the common shares included in the New Equity Units and the Private Units; and (e) an aggregate of approximately 248.5 million (or, in the event that the Effective Date occurs after May 15, 2010, approximately 273.4 million) common shares of the Corporation issuable upon exercise of the New Warrants in accordance with their terms; in each case as more particularly described, calculated and set forth in the Plan and the Circular (including the estimated dilution of holders of the common shares of the Corporation that such issuances would represent), be and is hereby authorized and approved;”