



THINK MEGA

Message From The President

JUNE 2010



"In the business world, the rearview mirror is always clearer than the windshield" – Warren Buffett.

At the beginning of every year, like most businesses, Mega's management puts together an operating budget. We take a look at the markets we serve and make our best guess about what we are going to manufacture & sell. Then we use historical data to decide how much it will cost us to manufacture that collection of products. Usually we do a pretty good job forecasting how much we will sell and we do a great job controlling expenses, but frankly we don't usually get the composition of those sales (i.e. our product mix) right – in other words, we sell a different mix than we predicted.

This year has proven to be no exception – but this is not necessarily a bad thing. The products we are quoting and selling this year are very engineering intensive and require a different mix of skills compared to a few years ago.

As you can see elsewhere in this newsletter, we have added machine tools, machinists, a QC person, an engineer and a new supply chain manager. We've also brought a few people back from lay-off status and I expect we will add more before the end of the year.

All of these changes increase Mega's capabilities significantly. The folks at Mega have high expectations for ourselves – we want to do a good job and live up to our claims of providing premium products and services. We know we have plenty of room for improvement, but Mega continues to get better and better all the time. If you are a customer of ours, we thank you for your business and hope you find these developments as exciting as we do. If you are a potential customer, we hope you give us a chance to tell you more about us. Thank you for taking the time to *Think Mega*.

Jim Kunz

MES34 Update



Just a quick status report on the upcoming Mega elevating scraper: MES-34 fabrication has started. All raw materials and most castings have been received – only a few items remain on the shortage list. Caterpillar is planning to make the 631G tractor-based partial machine arrangement ready-to-ship this month. We are working toward a 3rd quarter completion.



Waste Expo 2010

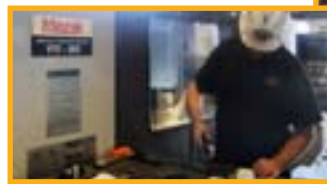


Pictured from right to left: Mark Pierce; CAT® OEMSG, Mark Richards; CAT® OEMSG, Tim Summers; Mega Engineer, John Stubbs; Mega Sales, and Megan Skehan, CAT® OEMSG.

In a joint project with Caterpillar OEMSG, Mega displayed an MCC35 container carrier at the 2010 Waste Expo Conference in Atlanta, Georgia, U.S.A. This was the second container carrier Mega has manufactured with Caterpillar and the first to be displayed at an industry show. The first unit is in operation at a landfill in Virginia.

Mega Shop Gets New Equipment

We have added some new tools to our toolbox this month. In-sourcing, increased parts sales and the current product mix created a need for additional machining capacity – so we acquired a Mazak vertical turning center. We are now running three mills where we had just one a couple of years ago. We are using this machine to manufacture hydraulic components and other high-tolerance parts. We also recently purchased twelve welding platens from Weldsales this month in preparation for the manufacture of elevating scrapers.



SPECIALTY HAULAGE SOLUTIONS FOR CONSTRUCTION & MINING

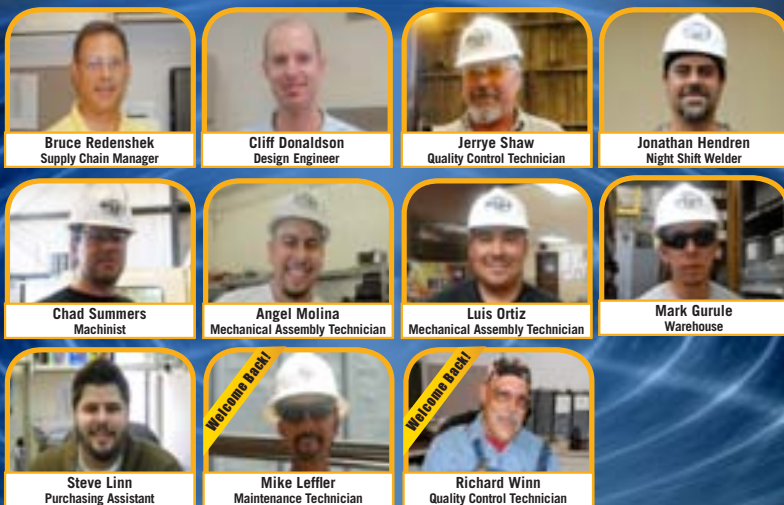




June 2010



New Employees



Position Announcements

Mega is pleased to announce the following position appointments:

Bruce Redenshek-Supply Chain Manager

Mega welcomes Bruce Redenshek to the newly-created position of Supply Chain Manager. Bruce joins us with a wealth of experience gained from a career in manufacturing. Bruce will have responsibility for purchasing, production planning & inventory control. The fact that his last name is the same as our Product Support Manager's is no coincidence – he is Norm's brother. We'll try not to hold that against him!

Cliff Donaldson-Design Engineer

A native of Las Cruces, New Mexico, Cliff Donaldson joins Mega as a Design Engineer in the Engineering Department. Cliff has a BSME from NMSU. Before joining Mega, Cliff worked on Defense Department projects for White Sands Missile Range in New Mexico. Cliff is already working on a new axle fixture for the Mega MHT175.

Auger Scraper License Agreement



Mega is pleased to announce the signing of a product licensing agreement with Caterpillar OEMSG for the manufacture and sale of auger scrapers. Effective the first of this year,

Caterpillar ceased manufacture of the model 621/631, 627/637 & 657 auger scrapers. Those same machines will continue to be available to Caterpillar dealers worldwide through Mega. As with several other Mega products including tow tractors and the elevating scraper, Mega will combine in-house manufactured parts with partial machine arrangements purchased from Caterpillar OEMSG. The resulting machines will use the same design and components as the original Caterpillar products and come with the same Mega and Caterpillar OEMSG warranties found on our other products.



WHEEL TRACTORS FOR WATER AND SCRAPER APPLICATIONS



Prior to Caterpillar's decision to discontinue the Model 613 wheel tractor scraper, Mega purchased a number of 613G tractor partial machine arrangements. This gives us the capability to continue to manufacture new Mega Model MST5 scraper tractor-drawn water tankers or, alternatively, to re-power existing 613's and Mega MSC/MST 5,000 gallon tanks. There are a limited number of these units available so let us know if you are interested and call us at 1-800-345-8889 or 505-345-2661.



**CALL
TODAY FOR
INFORMATION!**



MCC-Mega Container Carrier

Mega Corp. Contact Numbers

Toll Free	(800) 345-8889
Product Support	(505) 341-6981
Sales Department	(505) 341-6998
Parts Department	(505) 341-6986

www.megacorpinc.com

MEGA CORP.® 700 Osuna Rd. N.E. • Albuquerque, NM 87113