

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES
EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 1995

Commission file number 0-3797

MASTEC, INC.

(Exact name of registrant as specified in its charter)

Delaware

59-1259279

(State or other jurisdiction
of incorporation or organization)

(I.R.S. Employer
Identification No.)

8600 N.W. 36th Street, Miami, FL

33166

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number, including area code: (305) 599-1800

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Name of each exchange on
which registered

12% Convertible Subordinated Debentures
due November 15, 2000

Philadelphia Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value \$.10 per share

(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports
required to be filed by Section 13 or 15(d) of the Securities Exchange Act
of 1934 during the preceding 12 months (or for such period that the registrant
was required to file such reports), and (2) has been subject to such filing
requirements for the past 90 days. Yes X No

Indicate by check mark if disclosure of delinquent filers pursuant to Item
405 of Regulation S-K is not contained herein, and will not be contained,
to the best of registrant's knowledge, in definitive proxy or information
statements incorporated by reference in Part III of this Form 10-K or any
amendment to this Form 10-K. []

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The number of shares of Common Stock outstanding as of March 21, 1996 was
16,056,298. The aggregate market value of the voting stock held by
non-affiliates of the registrant computed by reference to the closing price of
the registrant's Common Stock on the Nasdaq National Market on March 21, 1996
was \$68,619,520. Directors, officers and 10% or greater stockholders are
considered affiliates for purposes of this calculation but should not
necessarily be deemed affiliates for any other purpose.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for the 1996 Annual Meeting of

Stockholders to be held on June 3, 1996, which will be filed with the Commission on or before April 30, 1996, are incorporated by reference into Part III.

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PART I
Item 1. BUSINESS

General

MasTec, Inc. (together with its subsidiaries, the "Company") is one of the largest providers of construction services to the telecommunications industry in the United States. The Company's principal business consists of the installation and maintenance of aerial, underground and buried copper and fiber optic cable, underground conduit, manhole systems and related construction ("telecommunications construction services") for local telephone companies, including Regional Bell Operating Companies ("RBOCs") such as BellSouth Telecommunications, Inc., U.S. West, Inc. and SBC Communications, Inc. (d/b/a Southwestern Bell), and non-Bell local telephone companies such as Sprint Corp., and GTE Corp. (collectively, "telcos"). The Company also provides construction services to non-telco public utilities that are similar to the telecommunications construction services it provides to telcos. The Company also provides telecommunication construction services to long-distance telephone companies such as AT&T and MCI, competitive access providers ("CAPs"), and cable television ("CATV") operators in the United States and to local and long-distance telephone companies and CATV operators in Latin America.

The Company also provides services that are complimentary to the Company's construction business, such as the installation and maintenance of traffic control and signalization devices, the clearance of utility company rights of way, the installation and maintenance of "smart highway" signalization devices and the construction of transmission towers for wireless communication providers such as cellular telephone and personal communication services ("PCS")

operators. These services are rendered to municipalities, public utilities, private businesses and government agencies such as state departments of transportation. The Company also designs, installs and maintains local area communications networks ("LANs") for private businesses.

In addition, the Company provides general construction and project management services to municipalities and state and local governments.

The Company has made investments in telecommunications systems in selected markets in Latin America. The Company also operates a long-distance teleport facility for the receipt and retransmission of voice, data and video traffic from Latin America and the Caribbean to the United States.

The Company was formed through the combination of two established names in the telecommunications construction services industry: Church & Tower and Burnup & Sims. On March 11, 1994, the shareholders of Church & Tower, Inc. and Church & Tower of Florida, Inc. (the "CT Group") acquired 65% of the outstanding common stock of Burnup & Sims, Inc., a public company incorporated in Delaware in 1968 and listed on the Nasdaq National Market ("Burnup & Sims"), in a reverse acquisition (the "Acquisition"). Following the change in control, the senior management of the combined entity was replaced by the CT Group's management and the name of Burnup & Sims was changed to "MasTec, Inc."

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Growth Strategy

The Company's strategy is to continue to grow its core telecommunications and related construction business while leveraging existing resources to expand and diversify its domestic and international revenue bases. To accomplish this strategy, the Company plans to (i) obtain additional telecommunications construction and related services contracts from existing and new domestic customers through internal growth and expansion into international markets, (ii) acquire other telecommunications construction contractors, and (iii) acquire and develop additional lines of business that compliment the Company's core telecommunications and related construction business. In addition, the Company plans to continue to dispose of non-core businesses and assets acquired in the Acquisition. The Company is also evaluating its investments in Latin American telecommunications system to enhance their value to the Company. There can be no assurance that the Company's growth strategy will be successful. See "Management's Discussion and Analysis of Financial Condition and Results of Operations - Growth Strategy."

Telecommunications and Related Construction Services

The Company's primary source of revenue is derived from the rendering of telecommunications and related construction services under comprehensive services contracts ("master contracts") with telco and non-telco public utilities. Under master contracts, the Company generally has the exclusive right to perform certain construction and maintenance services in a specified geographic area during the contract period, which generally runs for three years and may be extended for one or two additional years. Each master contract contemplates hundreds of individual construction and maintenance projects valued typically at less than \$100,000 each. Most individual jobs require less than one week to complete and typically involve the installation of conduit and fiber optic or copper telephone lines, the setting of telephone poles, the repair or maintenance of existing lines and the installation of manholes. The Company also provides street and sidewalk restoration work under master contracts for non-telco public utilities. Customers generally supply materials such as cable and telephone equipment, and the Company provides the expertise, personnel, tools and equipment necessary to perform the required services.

In addition to master contracts, the Company provides telecommunications and related construction services to its customers pursuant to contracts awarded for specific projects not contemplated by the master contract or the cost of which exceeds specified dollar limitations set forth in the master contract. The type of services provided under these contracts for specific projects is identical to

the type of services provided under the master contracts.

The Company also provides traffic signalization, clearance of utility rights of way, "smart highway" installation, construction and installation of transmission towers for wireless communications providers, and other construction services complimentary to its core telecommunications construction services business that are intended to diversify the Company's domestic customer base and develop new revenue sources. These services are considered part of the Company's core telecommunications and related construction services.

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In June 1994, the Company acquired Designed Traffic Installation, Inc. ("DTI"), an established Florida electrical contracting company that installs traffic control signalization and lighting systems for streets and airport runways. In July 1995, the Company acquired Utility Line Maintenance, Inc. ("ULM"), which is engaged in the business of clearing utility rights of way in the southeastern United States. In February 1996, the Company acquired Carolina Com-Tec, Inc., a company engaged in the business of installing and maintaining voice, data and video communications networks. See Note 2 to the Consolidated Financial Statements.

The Company's wholly-owned subsidiary, Church & Tower Fibertel, Inc., has expanded its business to include designing and installing "smart highway" systems, electronic systems which control highway messaging and lighting. The Company also has formed MasTec Technologies, Inc., a wholly-owned subsidiary, to market its installation and maintenance expertise in the developing area of wireless telecommunications technology including cellular and PCS.

The Company's backlog of orders for telecommunications and related construction services, which does not include work to be performed under master contracts because such contracts are of indeterminate aggregate amount, approximated \$15.3 million at December 31, 1995. Substantially all of this backlog is expected to be performed in 1996.

The Company's customers supply the majority of the raw materials and supplies necessary to carry out the Company's contracted work. The Company is not dependent on one supplier for any raw materials or supplies that the Company obtains for its own account.

The rendition of telecommunication construction services to RBOCs under master contracts accounts for a majority of the Company's revenue. BellSouth Telecommunications, Inc. accounted for approximately 42% of the Company's total revenue in 1995.

The telecommunications and related construction services business of the Company is subject to some seasonality, and the Company in some years has experienced a reduction in revenue during the months of November, December and January relative to other months. This reduction is due, in large part, to reduced expenditures and work order requests of the Company's customers, particularly RBOCs, at the end of their budgetary years, which typically end in December. Severe weather conditions and variances in the level of customers' capital expenditures influenced by prevailing interest rates and the allowance or disallowance of rate increases by regulatory authorities also may affect demand for the Company's services.

Revenue from the Company's telecommunications construction services in foreign markets accounted for less than 3% and 1% of revenue in 1995 and 1994, respectively. The Company had no revenue from foreign sources in 1993.

General Construction Services

From time to time, the Company provides general construction and project management services to municipalities and state and local governments. The Company's project management services consist of the overall coordination from design to build phases of such construction projects, including pre-construction management, bonding requirements, coordination of subcontractors, inspections and assurances of on-time delivery. All such projects are awarded through a competitive bidding process. Currently, the Company is acting as the project manager for improvements to a water pumping station operated by the Miami-Dade Water and Sewer Authority, construction of a detention facility for the Broward County Sheriff's Office, and construction of several primary learning centers for the Dade County School system. The Company's backlog for general construction services approximated \$48.6 million at December 31, 1995, substantially all of which is expected to be performed in the next 18 months.

Telecommunications Operations

As of December 31, 1995, the Company had invested in the following telecommunications businesses in or servicing Latin America and the Caribbean.

Supercanal. In October 1995, the Company acquired a 33% equity interest in Supercanal, S.A., a CATV operator in Argentina, as well as interests ranging from 14% to 35% in four other related companies. In February 1996, the Company acquired an additional 3% of the CATV operator.

Teleport. In November 1995, the Company purchased an FCC-licensed international long-distance teleport facility for the reception and retransmission of voice, data and video from Latin America and the Caribbean to the United States.

TPP. In December 1995, the Company agreed to acquire a 28.6% interest in Telecomunicaciones Publicas y Privadas, S.A. de C.V., a Mexican public pay telephone company, with an option to purchase an additional 21.4%.

In addition, in July 1995, the Company made a \$25 million term loan the ("Devono Loan") expiring in April 1996 to Devono Company Limited, a British Virgin Islands company ("Devono"). The loan is collateralized by a pledge of 40% of the outstanding capital stock of Cempresa S.A., an Ecuadorian corporation that is wholly-owned by Devono ("Cempresa"). Cempresa, in turn, owns 52.6% of the outstanding capital stock of Consorcio Ecuatoriano de Telecomunicaciones S.A., a cellular telephone company in Ecuador. Pursuant to the loan agreement, the Company may elect to be repaid by Devono transferring the pledged shares of Cempresa to the Company.

Competition

The Company competes with independent third parties in most of the markets in which it operates. Most companies engaged in the same or similar business tend to operate in a specific, limited geographic area, although larger competitors may bid on a particular project without regard to location. Although the Company is one of the largest providers of telecommunications construction services to the telecommunications industry in the United States, neither the Company nor any of its competitors can be considered as dominant in the industry on a national basis. The Company also faces competition from the in-house construction and maintenance departments of RBOCs, which employ personnel who perform some of the same types of services as those provided by the Company.

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The Company also faces competition in the international markets in which it operates and expects to operate, both with respect to its telecommunications and related construction services business and its investment in telecommunications operations. In its efforts to acquire interests in Latin American and Caribbean telecommunications companies, the Company has competed with large international companies and consortiums with significantly greater experience and resources than the Company.

Discontinued Operations

Prior to the Acquisition, Burnup & Sims had acquired and operated certain businesses and other assets which were unrelated to its telecommunication

construction services and related businesses. Following the Acquisition, the Company's new management focused its efforts on the Company's core construction and related businesses and commenced divesting the Company's non-core businesses and assets. See "Management's Discussion and Analysis of Financial Condition and Results of Operations_Overview-Operational Improvements" and "-Discontinued Operations" and Note 16 to the Consolidated Financial Statements. The Company continues to own and operate the following non-core businesses, which management expects to sell or otherwise dispose of within the next 12 months: (a) Southeastern Printing Company, Inc. ("Southeastern") a lithographic printing business that produces high fidelity color literature and labels printed by the flexographic process; and (b) Floyd Theaters, Inc. ("Floyd Theaters"), which currently operates six outdoor theaters that exhibit first, second and third run films of various major motion picture distributors.

Employees

As of December 31, 1995, the Company (excluding discontinued operations) had 2,313 full-time employees, of which 1,943 were hourly employees and 370 were salaried employees. The Company believes its relations with its employees are good.

Item 2. PROPERTIES

The Company's corporate headquarters is currently located in leased office space in Miami, Florida. In October 1995, the Company purchased a three-story building in Miami, Florida, which will serve as its principal headquarters once renovations are completed in the first half of 1996.

The Company also has regional offices located in Miami, Tampa, Atlanta and Austin. The Company's principal operations are conducted from field offices, equipment yards and temporary storage locations of which 13 are owned and 30 are subject to short-term or cancelable leases. The Company does not consider any specific owned or leased facility to be indispensable to its operations since most of the Company's services are performed on the customers' premises or on public rights of way. In addition, the Company believes that equally suitable alternative locations are available in all areas where it currently does business.

In November 1995, the Company purchased an FCC-licensed long-distance Teleport facility located on four acres in Miami, Florida.

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Southeastern owns a 60,000 square-foot printing plant in Stuart, Florida. Floyd Theatres leases one and owns six drive-in theaters located on approximately 66 acres in various Florida cities. In addition to its operating properties, the Company owns approximately 1,960 acres of undeveloped land throughout central and southwest Florida, and a 124,000 square foot manufacturing plant located on approximately 43 acres of land in Freehold, New Jersey. The Company is actively attempting to dispose of all of these assets to concentrate its resources on its core telecommunications construction and related businesses.

Certain of the Company's properties, equipment and vehicles are encumbered pursuant to loan agreements. See Note 6 to the Consolidated Financial Statements regarding the Company's credit facilities.

Item 3. LEGAL PROCEEDINGS

The following is a summary of material legal proceedings involving the Company.

In December 1990, Albert H. Kahn, a stockholder of the Company, filed a purported class action and derivative suit against Burnup & Sims, the members of its Board of Directors, and National Beverage Corporation ("NBC"). The complaint alleges, among other things, that Burnup & Sims' Board of Directors and NBC, as Burnup & Sims' then largest stockholder, breached their respective fiduciary duties in approving certain transactions, including the distribution to Burnup & Sims' stockholders of all of the common stock of NBC owned by Burnup & Sims and the exchange by NBC of shares of common stock of Burnup & Sims for certain

indebtedness of NBC held by Burnup & Sims. The lawsuit seeks to rescind these transactions and to recover damages in an unspecified amount.

In November 1993, Mr. Kahn filed a class action and derivative complaint against Burnup & Sims, the members of its Board of Directors, the CT Group, and Jorge L. Mas, Jorge Mas and Juan Carlos Mas, the principal stockholders of the CT Group. The 1993 lawsuit alleges, among other things, that the Burnup & Sims Board of Directors and NBC breached their respective fiduciary duties by approving the terms of the Acquisition and also claims derivatively that each member of the Burnup & Sims Board of Directors engaged in mismanagement, waste and breach of their fiduciary duties in managing Burnup & Sims' affairs. On March 7, 1994, the Delaware court in which these suits were filed denied plaintiff's motion to enjoin the Acquisition.

Each of the foregoing lawsuits is in discovery and no trial date has been set. The Company believes that the allegations in each of the lawsuits are without merit, and intends to defend these lawsuits vigorously.

The Company is involved in a lawsuit filed by BellSouth Telecommunications, Inc. arising from certain work performed by a subcontractor of the Company from 1991 to 1993 and a second lawsuit filed by the County of Gilpin, Colorado, against the Company in connection with work performed for U.S. West, Inc. during 1992. The amounts claimed against the Company in these two lawsuits in the aggregate total approximately \$1.4 million. Both lawsuits were filed in November 1995 and are in the early stages of discovery. The Company believes that the allegations asserted by BellSouth and Gilpin County in these lawsuits are without merit and intends to defend these lawsuits vigorously.

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The Company also is a defendant in a lawsuit between parties unrelated to the Company regarding enforcement of a purchase agreement to which the Company is not a party. The plaintiffs in the lawsuit allege that one of the other defendants in the lawsuit was acting as agent for the Company. The plaintiffs seek damages in excess of \$500,000 against all defendants. The litigation is in the early stages and the Company has filed a motion to dismiss the complaint, which motion is pending. The Company believes that the allegations asserted against the Company in this lawsuit are without merit and intends to defend this lawsuit vigorously.

All of the claims asserted in the lawsuits described above, with the exception of the second lawsuit filed by Alfred Kahn in 1994, arise from activities undertaken prior to March 11, 1994, the date of the Acquisition.

The Company is a party to other pending legal proceedings arising in the normal course of business, none of which the Company believes is material to the Company's financial condition or results of operations.

Item 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

There was no vote of security holders during the fourth quarter of the last fiscal year.

EXECUTIVE OFFICERS OF THE REGISTRANT

The following is a list of the names and ages of all of the Executive Officers of the Company, indicating all positions and offices with the Company held by each such person, and each such person's principal occupation or employment during the past five years. The executive officers hold office for one year or until their successors are elected by the Board of Directors. Jorge Mas is the son of Jorge L. Mas. There are no other family relationships among the directors or officers of the Company.

Name	Age	Present principal position and office with the Company
Jorge L. Mas	56	Chairman of the Board of Directors
Jorge Mas	33	President and Chief Executive Officer
Ismael Perera	47	Senior Vice President-Operations
Edwin D. Johnson	39	Senior Vice President-Chief Financial Officer
Ubiratan Simoes Rezende	48	Senior Vice President-International Operations
Carlos A. Valdes	32	Senior Vice President

Jose M. Sarioego	41	Senior Vice President-General Counsel
Carmen M. Sabater	31	Corporate Controller
Nancy J. Damon	46	Corporate Secretary

Jorge L. Mas was elected Chairman of the Board of Directors of the Company on March 11, 1994, the effective date of the Acquisition. Mr. Mas has been the President and Chief Executive Officer of Church & Tower of Florida, Inc., the Company's largest subsidiary, since 1969.

Jorge Mas has served as President and Chief Executive Officer of the Company since March 11, 1994. Prior to that time and during the past five years, Mr. Mas served as the President and Chief Executive Officer of Church & Tower, Inc. (and its predecessor company, Communications Contractors, Inc.). In addition, Mr. Mas is the Chairman of the Board of Directors of Neff Corporation, Atlantic Real Estate Holding Corp. and U.S. Development Corp. (all private companies

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controlled by Mr. Mas) and, during all or a portion of the past five years, has served as the President and Chief Executive Officer of these corporations.

Ismael Perera has served as Senior Vice President-Operations of the Company since March 11, 1994. Prior to that time, he served as the Vice President-Operations of Church & Tower, Inc. from August 1993 until March 1994. From 1970 until July 1993, Mr. Perera served in various capacities in network operations for BellSouth Telecommunications, Inc., including most recently as a Senior Director of Network Operations since 1985.

Edwin D. Johnson was elected Senior Vice President - Chief Financial Officer of the Company in March 1996. During the last 10 years, Mr. Johnson served in various capacities with Attwoods plc., a British waste services company, including chief financial officer and member of the board of directors for the past three years.

Ubiratan Simoes Rezende was elected as Senior Vice President - International Operations of the Company in March 1996. From August 1995 to March 1996, Mr. Rezende was Dean of Graduate Studies and International Programs at La Roche College. From 1991 to 1993, Mr. Rezende was visiting professor of the Paul Nitze School of Advanced International Studies at Johns Hopkins University, and from 1979 to 1992 he was a professor at the Center of Social and Economic affairs at the University of Santa Catarina in Brazil. Mr. Rezende also has served as Chief of Staff of the Organization of American States and as Executive Vice President of the holding company for the Perdigao Group, the second largest food processing company in Brazil.

Carlos A. Valdes has served as Senior Vice President since March 11, 1994. Prior to that time, Mr. Valdes served as the Chief Financial Officer of Church & Tower, Inc. from 1991 to 1994 and as Vice President of First Union National Bank of Florida N.A. from 1986 to 1991.

Jose M. Sarioego has served as Senior Vice President-General Counsel since September 1995. Prior to joining the Company, Mr. Sarioego was Senior Corporate Counsel and Secretary of Telemundo Group, Inc., a Spanish language television network, from August 1994 to August 1995. From January 1990 to August 1994, Mr. Sarioego was a partner in the Miami office of Kelley Drye & Warren, an international law firm.

Carmen M. Sabater has served as the Corporate Controller of the Company since April 1994. Prior to joining the Company, Mrs. Sabater was a Senior Manager (1993-1994) and Manager (1989-1993) with Deloitte & Touche LLP.

Nancy J. Damon has served as the Corporate Secretary of the Company since March 11, 1994. Prior to that time, Ms. Damon served as a paralegal at the Company from February 1990 until March 1994.

PART II

Item 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

The following information relates to the Company's common equity, par value \$.10 per share (the "Common Stock"), which currently is listed on the Nasdaq National Market under the symbol MASX (formerly BSIM). At March 21, 1996, there were 5,236 stockholders of record of the Company's Common Stock. The high and low closing quotations of the Common Stock for each quarter of the last two fiscal years, as reported by Nasdaq, are set forth below:

	1995		1994	
	High	Low	High	Low
First Quarter	\$ 13 1/2	\$ 10 1/8	\$ 9 1/8	\$ 5 15/16
Second Quarter	\$ 13 1/8	\$ 9 3/4	\$ 9	\$ 6 3/4
Third Quarter	\$ 13 1/8	\$ 10	\$ 8 1/2	\$ 7
Fourth Quarter	\$ 13 1/4	\$ 9 1/8	\$ 10 1/4	\$ 7

The above quotations reflect interdealer prices, without retail mark up, mark down or commission, and may not necessarily represent actual transactions.

The Company did not declare any cash dividends for the year ended December 31, 1995. See Note 6 to the Consolidated Financial Statements for information concerning restrictions contained in the Company's credit facilities regarding the payment of dividends. See Note 12 to the Consolidated Financial Statements for information concerning the distribution of subchapter S earnings to the CT Group shareholders in connection with the Acquisition.

Item 6. SELECTED FINANCIAL DATA

The following table presents selected consolidated financial information of the Company and selected combined financial information of the CT Group as of the dates and for each of the periods indicated. The selected financial data set forth below should be read in conjunction with the Consolidated Financial Statements or the Combined Financial Statements, as the case may be, the notes thereto and "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this Annual Report on Form 10-K.

	Year ended December 31,				
	1995	1994	1993	1992	1991
		(a-b)	(c)	(c)	(c)
(In thousands, except per share amounts)					
Income statement data:					
Revenue	\$174,583	\$111,294	\$44,683	\$34,136	\$ 31,588
Costs of revenue	130,762	83,952	28,729	22,163	22,970
	-----	-----	-----	-----	-----
Gross profit	43,821	27,342	15,954	11,973	8,618
General and administrative					

expenses	19,081	13,022	9,871	3,289	2,796
Depreciation and amortization	6,913	4,439	609	371	359
Operating income	17,827	9,881	5,474	8,313	5,463
Interest expense (d)	4,954	3,587	133	33	29
Interest and dividend income(e)	3,349	1,469	315	207	227
Special charge-real estate and investments write-downs	23,086	0	0	0	0
Other income (expense), net	2,028	1,009	(81)	209	85
(Losses) equity in earnings of unconsolidated companies and minority interest	(139)	247	1,177	(416)	(446)
(Benefit) provision for Income taxes(f)	(1,835)	3,211	2,539	3,113	1,992
(Loss) income from continuing operations(f)	\$ (3,140)	\$ 5,808	\$ 4,213	\$ 5,167	\$ 3,308
Average shares outstanding	16,046	16,077	10,250	10,250	10,250
			(g)	(g)	(g)
(Loss) primary earnings per share from continuing operations	\$ (0.20)	\$ 0.36	\$ 0.41	\$ 0.50	\$ 0.32

Balance sheet data:

Property and equipment, net	\$44,571	\$40,102	\$ 4,632	\$ 3,656	\$ 2,406
Total assets	170,163	142,452	21,325	23,443	11,733
Total long-term debt	44,226	35,956	3,579	855	371
Stockholders' equity(h)	50,504	50,874	10,943	15,690	9,436

- (a) Includes the results of the CT Group for the full year 1994, the results of Burnup & Sims from March 11, 1994 through the end of 1994, and the results of DTI from June 22, 1994 through the end of 1994.

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- (b) The 1994 results of operations have been reclassified to reflect the discontinuation of certain non-core operations of the Company. Net assets of discontinued operations at December 31, 1995, have been segregated in the consolidated balance sheet. See Note 16 to the Consolidated Financial Statements and "Management's Discussion and Analysis of Financial Condition and Results of Operations Overview Discontinued Operations."
- (c) Includes the results and financial condition of the CT Group only. See "Management's Discussion and Analysis of Financial Condition and Results of Operations-Overview-The Acquisition."
- (d) Included is interest due to stockholders from outstanding notes amounting to \$135,000 for the year ended December 31, 1995 and \$223,000 for the year ended December 31, 1994.
- (e) Included is interest accrued from notes from stockholders amounting to \$289,000 for the year ended December 31, 1995, and \$304,000 for the year ended December 31, 1994.
- (f) The CT Group was not subject to income taxes because it was an S corporation and, as a consequence, income from continuing operations has been adjusted to reflect a pro forma provision for income taxes.
- (g) Reflects the shares of common stock of the Company received by the former shareholders of the CT Group pursuant to the Acquisition and not the outstanding shares of common stock of the CT Group.
- (h) See Note 12 to the Consolidated Financial Statements regarding distributions made to the CT Group shareholders in connection with the Acquisition.

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION
AND RESULTS OF OPERATIONS

Overview

The Company was formed through the combination of two established names in the telecommunications construction services industry: Church & Tower and Burnup & Sims. On March 11, 1994, the shareholders of the CT Group acquired 65% of the outstanding common stock of Burnup & Sims in a reverse acquisition (the "Acquisition"). Following the change in control, the senior management of Burnup & Sims was replaced by the CT Group's management and the name of Burnup & Sims was changed to "MasTec, Inc."

Under generally accepted accounting principles, the Acquisition was accounted for as a reverse acquisition whereby the CT Group is considered the predecessor to the combined entity. Consequently, the financial information included in this Annual Report on Form 10-K for the years ended December 31, 1993, 1992 and 1991 are of the CT Group only. The information for the year ended December 31, 1994 includes the results of the CT Group for the year ended December 31, 1994 the results of Burnup & Sims from March 11, 1994 to the end of 1994, and the results of DTI from June 22, 1994 (the date the Company acquired DTI) to the end of 1994. See Note 2 to the Consolidated Financial Statements. As part of the Acquisition, the S corporation election of the CT Group was terminated.

Operational Improvements

Following the Acquisition, the Company implemented a number of strategic initiatives to improve operating efficiencies and profitability. Management identified and renegotiated or canceled several unprofitable master contracts with RBOCs and implemented procedures to monitor bids to ensure that new contracts are in accordance with prescribed terms. Management also reorganized and reoriented Burnup & Sims' operations to increase their efficiency, maximize buying power and take advantage of available business opportunities. Additionally, management took steps to increase activities of the Company in regions in which it suffered from overcapacity and implemented utilization procedures at the corporate level to promote the efficient use of equipment and machinery between operating units. Finally, during 1995, management invested approximately \$5 million to replace equipment and machinery used in Burnup & Sims' operations in the central and eastern United States. The Company believes that the integration of Burnup & Sims and the CT Group has been substantially completed, although it intends to continue to reorganize operations of the

Company to further increase efficiencies.

Growth Strategy

Following the Acquisition, the Company has followed a two-pronged strategy of growth through internal growth and expansion and through acquisitions. See "Business - Growth Strategy." As part of the growth strategy, the Company has sold or offered for sale a number of non-core businesses and assets acquired in the Acquisition. Through March 31, 1996, the Company had acquired the stock or assets of several companies in the telecommunications construction and related services business and had disposed of the stock or assets of two of its non-core subsidiaries as well as certain other assets, as more fully described in "- Discontinued Operations" and "- Special Charge - Real Estate and Investments Write Downs." The Company intends to continue to grow internally and through acquisitions, and to continue to dispose of non-core assets. The Company is

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evaluating its investments in Latin American telecommunications systems to enhance their value to the Company. The success of the Company's growth strategy will be dependent in part on the Company obtaining additional external financing which it is currently seeking. Although the Company believes that additional external financing will be obtained, there can be no assurance that the Company will be able to obtain financing for this purpose.

The Company's growth strategy presents certain inherent risks, including building and expanding the facilities and operations of the Company and in integrating existing operations with new acquisitions.

Discontinued Operations

In the third quarter of 1995, the Company determined to concentrate resources and better position itself to achieve its strategic growth objectives by disposing of its non-core businesses acquired from Burnup & Sims as a result of the Acquisition (previously accounted for as the "general products segment"). See Note 16 to the Consolidated Financial Statements and "Business - Discontinued Operations." The general products segment included the operations of Southeastern, Floyd Theatres, and Lectro Products, Inc. ("Lectro"), each subsidiaries of the Company. On March 17, 1995, the Company sold the indoor theater assets of Floyd Theatres, consisting of 21 theaters, for approximately \$11.5 million, of which \$7.0 million was applied to repay a portion of the Company's 12% Convertible Subordinated Debentures (the "Debentures") and \$1.8 million was applied to satisfy liabilities of Floyd Theatres not assumed by the buyer, the remaining proceeds were used to satisfy transaction costs incurred by the Company and to finance internal growth. A gain of \$1.5 million, net of tax, resulted from this transaction in the first quarter of 1995.

On August 9, 1995, the Company sold the stock of Lectro for \$11.9 million in cash and a promissory note in the principal amount of \$450,000. Proceeds from the sale, net of transaction expenses, were \$11.3 million. A gain of \$5.9 million, net of tax, resulted from this transaction in the third quarter of 1995. The proceeds were applied to repay \$10.0 million borrowed by the Company under the Company's Senior Facility Agreement with Shawmut Capital Corporation (the "Senior Facility Agreement"), with the excess invested in short-term investments. See Note 16 to the Consolidated Financial Statements. A portion of the promissory note (\$250,000) is subject to adjustment based on the ultimate collectibility of the accounts receivable of Lectro as of June 30, 1995. Any changes in proceeds as a result of any adjustments are not expected to be material.

The outdoor theater operations of Floyd Theatres, consisting of six drive-in theatres, are currently being marketed for sale for the underlying real estate value. In addition, the Company has received offers to purchase Southeastern. Based on the estimated net realizable value of Floyd Theatres' real estate and the offers for Southeastern, a loss on disposition of approximately \$6.4 million, net of tax relating to the remaining discontinued operations was recorded in 1995.

The financial statements of the Company for the period ended December 31, 1993 included in this Annual Report on Form 10-K do not include the discontinued operations because these operations were not part of the CT Group during that period. The results of operations of the Company for the periods ended December 31, 1995 and 1994 have been reclassified to reflect the discontinuation of these operations. Revenue of the discontinued operations for the year ended December 31, 1995 and 1994 were \$21.9 million and \$29.9 million, respectively.

Net assets of discontinued operations at December 31, 1995, have been segregated in the consolidated balance sheet. See Note 16 to the Consolidated Financial Statements.

Special Charge - Real Estate and Investments Write Downs

In the third quarter of 1995, the Company decided to accelerate the pace of its disposal of non-core real estate assets by offering the majority of these assets in a bulk sale. As a result of this decision, the Company recorded a special charge of \$15.4 million to adjust the carrying values of its real estate investments to estimated net realizable value based on offers received by the Company to dispose of certain real estate in a bulk transaction. The original value assigned to the real estate investments contemplated the disposition of the properties on an individual basis and no consideration had previously been given to a bulk sale. In the fourth quarter of 1995, the Company recorded an additional charge of \$7.7 million to reflect the value realized upon a sale of certain real estate and the Company's preferred stock investment in early 1996. These assets were sold at prices and in a manner designed to facilitate their immediate disposal so that the Company could concentrate its resources on its core telecommunications construction business. See also Note 5 to the Consolidated Financial Statements.

Results of Operations

The Company generates revenue primarily from telecommunication construction and related services and general construction services. Telecommunication construction and related services are provided to telephone companies, public utilities, CATV operators, other telecommunications providers and private businesses. General construction services generally consist of design-and-build projects which the Company undertakes with private businesses and state and local governmental authorities. See "Business."

Costs of revenue includes subcontractor costs and expenses, materials not supplied by the customer, fuel, equipment rental, insurance, operations payroll and employee benefits.

General and administrative expenses include management salaries, bonuses and benefits, rent, travel, telephone and utilities, professional fees and clerical and administrative overhead.

The following table sets forth certain historical consolidated financial data as a percentage of revenue for the years ended December 31, 1995, 1994 and 1993.

	Year ended December 31,		
	1995	1994(1)	1993(1)
Revenue	100.0 %	100.0 %	100.0 %
Costs of revenue (exclusive of depreciation and amortization shown separately)	74.9 %	75.4 %	64.3 %
Gross margin	25.1 %	24.6 %	35.7 %
General and administrative expenses	10.9 %	11.7 %	22.1 %

Depreciation and amortization	4.0 %	4.0 %	1.4 %
Interest expense	2.8 %	3.2 %	0.3 %
Interest and dividend income and other income, net	3.1 %	2.2 %	0.5 %
Special charge- real estate and investments write-downs	13.2 %	0.0 %	0.0 %
(Loss) income from continuing operations(1)	(1.8)%	5.2 %	9.4 %

(1) Income from continuing operations as a percent of revenue has been adjusted to reflect a tax provision as though the Company had been subject to taxation as a C Corporation.

Year Ended December 31, 1995 Compared to Year Ended December 31, 1994

Revenue. Revenue increased by approximately \$63.3 million or 57% from \$111.3 million in 1994 to \$174.6 million in 1995, primarily due to expansion into new contract areas and the full year's effect in 1995 of acquisitions in 1994, including the Acquisition. See Note 2 of the Consolidated Financial Statements. Revenue generated under the Company's master contracts was \$113.6 million and \$76.2 million or 65% and 68% for 1995 and 1994, respectively.

Costs of revenue (exclusive of depreciation and amortization shown separately). Costs of revenue as a percentage of revenue decreased from 75.4% in 1994 to 74.9% in 1995, primarily due to improved margins resulting from improved operating efficiencies, improved productivity due to the use of more modern equipment, and the Company's renegotiation of an unprofitable master contract assumed as part of the Acquisition.

General and administrative expenses. General and administrative expenses as a percentage of revenue declined from 11.7% in 1994 to 10.9% in 1995. General and administrative expenses increased by approximately \$6.1 million from 1994 to 1995 due primarily to the impact of the Acquisition as the 1994 results exclude the results of operations (including general and administrative expenses) for Burnup & Sims from January 1 to March 11, 1994. Additionally, the Company expended approximately \$1.6 million in 1995 related to pursuing and monitoring investment opportunities abroad.

Depreciation and amortization. Depreciation and amortization as a percentage of revenue was 4.0% in both 1995 and 1994. Depreciation expense increased from \$4.4 million in 1994 to \$6.9 million in 1995 primarily due to a fleet replacement program related to the Burnup & Sims fleet acquired in the Acquisition and an increase in capital expenditures resulting from expansion into new contract areas.

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Interest expense. Interest expense increased from \$3.6 million in 1994 to \$5.0 million in 1995 primarily due to new borrowings used for equipment purchases, to fund the Devono Loan and to make investments in unconsolidated companies. See Note 2 to Consolidated Financial Statements.

Interest and dividend income and other income, net. Interest and dividend income increased from \$1.5 million in 1994 to \$3.3 million in 1995 as a result of dividends earned on the preferred stock investment acquired in the Acquisition and the interest accrued on the Devono Loan. See "Business Telecommunications Operations." Other income increased by \$1.0 million from 1994 to 1995 as a result of a \$1,350,000 favorable settlement of a lawsuit. See Note 14 to the Consolidated Financial Statements.

Special Charge-Real Estate and Investments Write-Downs. See "Special Charge Real Estate and Investments Write Downs" for a discussion of the special charge for the write-down of certain real estate and other assets of the Company. See also Note 5 to the Consolidated Financial Statements.

Year Ended December 31, 1994 Compared to Year Ended December 31, 1993

Revenue. Revenue increased by approximately \$66.6 million or 149% from \$44.7 million in 1993 to \$111.3 million in 1994. Revenue in telecommunications and related construction services increased \$71.6 million as a result of the Acquisition and other acquisitions in 1994 and increased \$4.2 million due to additional volume in 1994 under master contracts in effect at December 31, 1993. These increases in revenue were offset by a decline of \$9.2 million in revenue from the Company's general construction services segment due to the completion

of a significant project in the latter part of 1993.

Costs of revenue. Costs of revenue (exclusive of depreciation and amortization shown separately) increased as a percentage of revenue from 64.3% in 1993 to 75.4% in 1994, primarily due to less profitable operations acquired in connection with the Acquisition.

General and administrative expenses. General and administrative expenses increased by approximately \$3.2 million from 1993 to 1994 but decreased to 11.7% of revenue in 1994 compared to 22.1% of revenue in 1993. In the fourth quarter of 1993, in anticipation of the change in tax status resulting from the Acquisition, bonuses were paid to certain employee/shareholders of the CT Group, which significantly increased the general and administrative expenses of the Company for 1993. Additionally, non-recurring expenses associated with provisions for litigation and environmental expenditures were made in 1993. Excluding the bonuses and nonrecurring expenses, general and administrative expenses as a percentage of revenue would have been 11.3% in 1993.

Depreciation and amortization. Depreciation and amortization expenses increased to \$4.4 million in 1994, or 4.0% of revenue, from \$609,000 or 1.4% of revenue in 1993. The increase is primarily a result of (i) amortization of certain costs associated with the acquisitions made in 1994 and (ii) an increase in depreciation due to the purchase of new equipment as part of a fleet replacement program for the CT Group fleet implemented in the latter part of 1993.

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Interest expense. Interest expense increased from \$133,000 in 1993 to \$3.6 million in 1994 due to (i) notes issued to pay for acquisitions made in 1994 other than the Acquisition, (ii) debt incurred to the CT Group shareholders in connection with the Acquisition and (iii) debt assumed from Burnup & Sims following the Acquisition.

Interest and dividend income and other income, net. Interest and dividend income increased from \$315,000 in 1993 to \$1.5 million in 1994 due to dividend income earned on the preferred stock acquired in the Acquisition and interest earned in rates issued to stockholders prior to the Acquisition. Other income increased \$1.1 million from a net expense of \$81,000 in 1993 to \$1.0 million of income in 1994, primarily due to gains recognized on the sale of machinery and equipment of \$609,000 and the rental of certain equipment.

The equity in earnings of unconsolidated companies decreased in 1994 by \$940,000 from 1993. During 1993, the Company recorded income of approximately \$1,187,000 related to its joint venture for the removal of debris related to Hurricane Andrew. The project undertaken by this joint venture was substantially completed in 1993.

Upon consummation of the Acquisition, the CT Group's election to be treated as an S Corporation was terminated and accordingly, the Company recognized a net deferred tax asset of approximately \$435,000 related to deductible temporary differences. This benefit was included in the provision for income taxes for 1994. The Company was not subject to taxation in 1993 and prior years as the result of its S corporation election under the Internal Revenue Code.

See Note 1 in the Consolidated Financial Statements as to the impact of the new accounting standards to be implemented during 1996. The effect of which the Company does not believe to be material.

Liquidity and Capital Resources

The Company's primary sources of liquidity during 1995 were cash flows from operations, borrowings under credit facilities and proceeds from the sale of discontinued operations. Cash and cash equivalents decreased by \$4.5 million from \$5.6 million at December 31, 1994 to \$1.1 million at December 31, 1995 primarily due to capital expenditures related to the Company's growth, debt repayments, investments, and businesses acquired.

Cash of \$5.6 million was generated from operations in 1995 compared to \$3.6 million in 1994. The increase in 1995's operating cash flows represents improved

results in the Company's telecommunications and related construction services segment. Impacting cash generated from operations was an increase in receivables resulting from the growth in the Company's core business.

As of December 31, 1995, working capital was approximately \$44.6 million compared to working capital of approximately \$22.3 million at December 31, 1994. Included in working capital at December 31, 1995, are the net assets of the discontinued operations, notes receivable, real estate and preferred stock held for sale. The Company anticipates disposal of these assets in 1996. Proceeds from the sale of these assets will be used to further the Company's growth strategy.

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As a result of expansion into new contract areas and a continuing a fleet replacement program, the Company increased capital expenditures for equipment in 1995 to \$18.3 million, an increase of approximately \$12.6 million from 1994. Additionally, the Company has invested \$4.6 million in its corporate headquarters and other operating facilities, of which \$2.8 million has been financed. The Company also invested \$1.1 million in a teleport facility, all of which has been financed. See Note 2 to the Consolidated Financial Statements. The Company estimates investing approximately \$14.0 million in 1996 to continue its fleet replacement program and to support anticipated growth.

On July 14, 1995, the Company made the Devono Loan. To fund the Devono Loan, the Company used \$5.0 million of working capital and borrowed \$20.0 million under the Company's credit facility with Shawmut Capital Corporation (the "Shawmut Credit Facility"), \$10.0 million of which was repaid with proceeds from the sale of Lectro. See Note 2 to the Consolidated Financial Statements.

A portion of the net proceeds (\$7.0 million) from the sale of the indoor theater assets of Floyd Theatres was used to prepay a portion of the Company's outstanding Debentures on April 17, 1995. In addition, on November 15, 1995, the Company made a scheduled sinking fund payment of \$2.6 million under the Debentures.

In October 1995, the Company acquired a 33% interest in Supercanal, S.A., an Argentine cable television company in Mendoza, Argentina, as well as interests in a newspaper, magazine and radio station. The purchase price was \$13.6 million, \$6.6 million of which was paid at closing and \$7.0 million of which is payable over 24 months at 8% interest. The Company financed the \$6.6 million at closing by drawing upon its existing Shawmut Credit Facility. In March 1996, the Company acquired an additional 3% of Supercanal, S.A. in exchange for \$2.0 million and its interest in the radio station and newspaper. The \$2.0 million for the 3% interest is payable over nine months at 12% interest.

The Company has entered into an agreement to acquire 28.6% of a Mexican pay telephone company for \$6.0 million, with an option to acquire an additional 21.4%. At December 31, 1995, the Company had invested \$670,000 representing a 4.3% interest. See Note 2 to the Consolidated Financial Statements.

In February 1996, the Company purchased for \$6,750,000 the outstanding stock of Carolina Com-Tec, Inc., a company engaged in installing and maintaining voice, data and video networks. The stockholders of Carolina Com-Tec, Inc. received \$1.0 million at closing, a \$2.0 million note due June 1, 1996, and a \$1.5 million 8% note payable in quarterly installments over four years. The balance of the purchase price is payable over the next four years based on future pre-tax earnings of Carolina Com-Tec, Inc.

In March 1996, the Company sold its investment in preferred stock and was repaid certain receivables due the Company from the buyer for a total consideration of \$6.3 million, the proceeds of which have been invested in short-term investments.

As the Company pursues its growth strategy, it continues to evaluate domestic and international acquisitions that would augment its current telecommunications and related construction services business by providing a broader geographical reach and more diversified customer base. The Company anticipates that these acquisitions, as well as operating cash requirements, capital expenditures and debt service, will be funded from cash flow generated by operations, sale of non-core assets, and external sources of financing.

See Note 6 of the Consolidated Financial Statements for a description of the Company's principal credit facilities, including the Shawmut Credit Facility. The Shawmut Credit Facility requires the Company to achieve certain cash flow benchmarks and to maintain a minimum net worth and other financial ratios, all of which were met as of December 31, 1995.

Impact of Inflation

The primary inflationary factor affecting the Company's operations is increased labor costs. The Company's revenue is principally derived from services performed under master contracts, which typically include provisions to increase contract prices on an annual basis based on increases in the Construction Price Index. Accordingly, the Company believes that increases in labor costs will not have a significant impact on its results of operations.

Environmental matters

The Company is in the process of removing, restoring and upgrading underground fuel storage tanks. As explained more fully in the notes to the Consolidated Financial Statements, the Company does not expect the costs of completing this process to be material.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See index to Consolidated Financial Statements.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

On March 11, 1994, the date of the Acquisition, the Board of Directors of the Company dismissed Deloitte & Touche LLP as the Company's independent auditors and retained Price Waterhouse L.L.P. as the Company's independent auditors. The dismissal was previously reported on a Form 8-K filed on March 18, 1994.

On May 8, 1995, the Board of Directors dismissed Price Waterhouse L.L.P. as the Company's independent auditors and retained Coopers & Lybrand L.L.P. as the Company's independent auditors. These events were previously reported on Forms 8-K filed on May 8, 1995 and June 27, 1995.

PART III

Item 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information concerning directors and nominees for director of the Company set forth under the caption "Election of Directors" of the Company's Proxy Statement for the 1996 Annual Meeting of Stockholders (the "Proxy Statement") is incorporated by reference into this Annual Report on Form 10-K. Information concerning the executive officers of the Company is included in Part I under the caption "Executive Officers of the Company" in reliance upon General Instruction G to Form 10-K and Instruction 3 of Item 401(b) of Regulation S-K.

Item 11. EXECUTIVE COMPENSATION

The information concerning executive compensation set forth under the caption "Executive Compensation" of the Company's Proxy Statement is incorporated by reference into this Annual Report on Form 10-K.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information concerning security ownership set forth under the caption "Security Ownership of Certain Beneficial Owners and Management" of the Company's Proxy Statement is incorporated by reference into this Annual Report on Form 10-K.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information set forth under the caption "Certain Relationships and Related Transactions" of the Company's Proxy Statement is incorporated by reference into this Annual Report on Form 10-K.

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Item 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

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Report of Independent Accountants	24
(a) (i) Consolidated Financial Statements	
Statements of Income for the three years ended December 31, 1995	25
Balance Sheets at December 31, 1995 and 1994	27
Statements of Stockholders' Equity for the three years ended December 31, 1995	29
Statements of Cash Flows for the three years ended December 31, 1995	30
Notes to Consolidated Financial Statements	35
(b) Report on Form 8-K	
The Company did not file any reports on Form 8-K during the three months ended December 31, 1995.	
(c) Index to Exhibits	57

Report of Independent Accountants

To the Board of Directors and
Stockholders of MasTec, Inc.
Miami, Florida

We have audited the accompanying consolidated balance sheets of MasTec, Inc. and subsidiaries (formerly the Church & Tower Group) as of December 31, 1995 and 1994, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1995. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of MasTec, Inc. and subsidiaries as of December 31, 1995 and 1994, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1995, in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

Miami, Florida
March 22, 1996

Part II - Financial Information
Item 8. Financial Statements

MasTec, Inc.

CONSOLIDATED STATEMENTS OF INCOME
for the three years ended December 31, 1995
(In Thousands Except Per Share Amounts)

	1995	1994	1993
Revenue	\$ 174,583	\$ 111,294	\$ 44,683
Costs of revenue (exclusive of depreciation and amortization shown separately below)	130,762	83,952	28,729
Gross profit	43,821	27,342	15,954
General and administrative expenses	19,081	13,022	9,871
Depreciation and amortization	6,913	4,439	609
Operating income	17,827	9,881	5,474
Interest expense			
Borrowings	4,819	3,364	133
Notes to stockholders	135	223	0
Interest and dividend income	(3,060)	(1,165)	(315)
Interest on notes from stockholders	(289)	(304)	0
Special charge-real estate and investments write-downs	23,086	0	0
Other (income) expense, net	(2,028)	(1,009)	81
(Loss) income from continuing operations before equity in (losses) earnings of unconsolidated companies, income taxes and minority interest	(4,836)	8,772	5,575
(Losses) equity in earnings of unconsolidated companies	(300)	247	1,187
(Benefit) provision for income taxes	(1,835)	2,325	0
Minority interest	161	0	(10)
(Loss) income from continuing operations	(3,140)	6,694	6,752
Discontinued operations (Note 16):			
Income from discontinued operations (net of applicable income taxes)	38	825	0
Net gain on disposal of discontinued operations net of a provision of \$6,405 to write down related assets to realizable values and including operating losses during phase-out period (net of applicable income taxes)	2,493	0	0
Net (loss) income	\$ (609)	\$ 7,519	\$ 6,752
Unaudited pro forma data:			
Income before income taxes	0	10,396	6,752
Provision for income taxes (1)	0	3,763	2,539
Pro forma net (loss) income (1)	\$ (609)	\$ 6,633	\$ 4,213

MasTec, Inc.
CONSOLIDATED STATEMENTS OF INCOME
for the three years ended December 31, 1995
(In Thousands Except Per Share Amounts)

	1995	1994	1993
Pro forma net (loss) income (1)	\$ (609)	\$ 6,633	\$ 4,213
	=====	=====	=====
Weighted Average shares outstanding	16,046	16,077	10,250
(Loss) earnings per share (1):			
Continuing operations	\$ (0.20)	\$ 0.36	\$ 0.41
Discontinued operations	0.16	0.05	0.00
	-----	-----	-----
	\$ (.04)	\$ 0.41	\$ 0.41
	=====	=====	=====

(1) Net income and earnings per share amounts for 1994 and 1993 have been adjusted to include a provision for income taxes as though the Company had been subject to taxation for the entire year. See Note 17 for quarterly financial data and reported earnings per share.

The accompanying notes are an integral part of these consolidated financial statements.

MasTec, Inc.
CONSOLIDATED BALANCE SHEETS
(In Thousands)
As of December 31, 1995 and 1994

	1995	1994
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,076	\$ 5,612
Accounts receivable-net and		

unbilled revenue	49,057	33,122
Notes receivable	25,892	715
Inventories	2,819	4,111
Deferred and refundable income taxes	1,116	1,368
Theater assets held for sale	0	7,414
Net assets of discontinued operations	6,400	0
Investment in preferred stock	5,100	0
Real estate held for sale	12,292	0
Other current assets	1,448	700
	-----	-----
Total current assets	105,200	53,042
	-----	-----
Property and equipment -at cost	55,806	46,204
Accumulated depreciation	(11,235)	(6,102)
	-----	-----
Property-net	44,571	40,102
	-----	-----
Investments in unconsolidated companies	14,847	284
Investment in preferred stock	0	9,000
Notes receivable from stockholders	1,770	3,570
Real estate investments	0	34,604
Other assets	3,775	1,850
	-----	-----
TOTAL ASSETS	\$ 170,163	\$ 142,452
	=====	=====

The accompanying notes are an integral part of these consolidated financial statements.

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MasTec, Inc.
CONSOLIDATED BALANCE SHEETS
(In Thousands)
as of December 31, 1995 and 1994

	1995	1994
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of debt	\$ 27,863	\$ 8,229
Current portion of notes payable to stockholders	0	1,000
Accounts payable	19,026	8,512
Accrued insurance	3,016	4,227
Accrued compensation	1,804	2,193
Accrued interest	601	631
Accrued income taxes	1,627	0
Other current liabilities	6,696	5,966
	-----	-----
Total current liabilities	60,633	30,758
	-----	-----
Deferred income taxes	5,238	16,286
Accrued insurance	7,439	6,893
Other liabilities	2,123	1,685
	-----	-----
Total other liabilities	14,800	24,864

Long-term debt	34,601	15,206
Notes payable to stockholders	0	1,500
Convertible subordinated debentures	9,625	19,250
	<hr/>	<hr/>
Total long-term debt	44,226	35,956
	<hr/>	<hr/>
Commitments and contingencies		
Stockholders' equity:		
Common stock	2,643	2,643
Capital surplus	134,186	134,094
Retained earnings	5,663	6,272
Accumulated translation adjustments	1	0
Treasury stock	(91,989)	(92,135)
	<hr/>	<hr/>
Total stockholders' equity	50,504	50,874
	<hr/>	<hr/>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 170,163	\$ 142,452
	<hr/>	<hr/>

The accompanying notes are an integral part of these consolidated financial statements.

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MASTEC, INC .
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
for the three years ended December 31, 1995
(In Thousands)

	Common Stock		Capital	Retained	Accumulated	Treasury	
	Issued	Amount	Surplus	Earnings	Translation	Stock	Total
	Shares				Adjustment		
Balance December 31, 1992	10,250	\$ 1,025	\$	\$ 14,666	\$	\$	\$ 15,691
Net income				6,752			6,752
Distributions to stockholders				(11,500)			(11,500)
Balance December 31, 1993	10,250	1,025		9,918			10,943
Net income				7,519			7,519
Retained earnings of CT Group transferred to capital surplus			11,165	(11,165)			0
Equity acquired in reverse acquisition	16,185	1,618	122,969			(92,232)	32,355
Stock issuance costs for reverse acquisition				(18)			(18)
Stock issued to employees from treasury stock				(22)		96	74
Stock issued for debentures from treasury shares						1	1
Balance December 31, 1994	26,435	2,643	134,094	6,272		(92,135)	50,874
Net loss				(609)			(609)
Stock issued to 401(k) Retirement Savings Plan from treasury shares			92			146	238
Accumulated translation adjustment					1		1
Balance December 31, 1995	26,435	\$ 2,643	\$ 134,186	\$ 5,663	\$ 1	\$ (91,989)	\$ 50,504

The accompanying notes are an integral part of these consolidated financial statements.

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MASTEC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the three years ended December 31, 1995
(In Thousands)

	1995	1994	1993
	-----	-----	-----
Cash flows from operating activities:			
Net (loss) income	\$ (609)	\$ 7,519	\$ 6,752
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	6,913	5,474	609
Minority interest	(161)	0	10
Equity in losses (earnings) of unconsolidated companies	300	(247)	(1,187)
Special charge-real estate and investments write downs	23,086	0	0
Gain on sale of discontinued operations	(2,667)	0	0
(Gain) loss on sale of assets	(156)	(609)	283
Stock issued to employees from treasury stock	0	74	0
Changes in assets and liabilities net of effects of acquisitions and divestitures:			
Accounts receivable-net and unbilled revenue	(20,322)	(8,249)	2,577
Inventories and other current assets	(1,626)	(128)	111
Other assets	(2,545)	511	(538)
Accounts payable and accrued expenses	10,929	139	(968)
Accrued and refundable income taxes	1,754	1,133	0
Other current liabilities	(1,194)	(2,900)	762
Net assets of discontinued operations	963	0	0
Deferred income taxes	(10,092)	884	0
Other liabilities	1,023	(9)	0
	-----	-----	-----
Net cash provided by operating activities	5,596	3,592	8,411
	-----	-----	-----
Cash flows used in investing activities:			
Capital expenditures	(14,668)	(4,272)	(2,036)
Investment in notes receivable	(25,000)	0	0
Investments in unconsolidated companies	(7,408)	0	(660)
Notes to stockholders	0	(3,570)	0
Repayment of notes to stockholders	1,800	0	0
Cash acquired in acquisitions	148	6,585	0
Cash paid in acquisitions	(1,750)	(1,850)	0
Proceeds from sale of assets	2,934	664	0
Repayment of notes receivable	443	0	0
Distributions from unconsolidated companies	245	277	1,484
Net proceeds from sale of discontinued operations	21,293	0	0
	-----	-----	-----
Net cash used in investing activities	(21,963)	(2,166)	(1,212)
	-----	-----	-----

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MASTEC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the three years ended December 31, 1995
(In Thousands)

1995	1994	1993
-----	-----	-----

Cash flows from financing activities:			
Proceeds from Term Loan	12,000	1,000	0
Proceeds from Equipment Loan	12,500	0	0
Proceeds from Revolver	21,625	0	0
Financing costs	(516)	0	0
Proceeds from note payable	5,450	0	989
Debt repayments	(26,966)	(5,244)	(948)
Debt repayments - Revolver	(10,000)	0	0
Repayments of notes from stockholders	(2,500)	(500)	0
Distributions to shareholders	0	0	(8,500)
Net proceeds from common stock issued from treasury	238	0	0
	-----	-----	-----
Net cash provided by (used in) financing activities	11,831	(4,744)	(8,459)
	-----	-----	-----
Net decrease in cash and cash equivalents	(4,536)	(3,318)	(1,260)
Cash and cash equivalents - beginning of period	5,612	8,930	10,190
	-----	-----	-----
Cash and cash equivalents - end of period	\$ 1,076	\$ 5,612	\$ 8,930
	=====	=====	=====
Cash paid during the period:			
Interest	\$ 4,984	\$ 3,984	\$ 134
Income taxes	\$ 7,527	\$ 1,695	\$ 0

The accompanying notes are an integral part of these consolidated financial statements.

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MASTEC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the three years ended December 31, 1995
(In Thousands)

Supplemental disclosure of non-cash investing and financing activities:

	1995

Acquisition of ULM:	
Fair value of assets acquired:	
Accounts receivable	\$ 167
Other current assets	67
Property	2,688
Other assets	50

Total non-cash assets	2,972

Liabilities	71
Long-term debt	93

Total liabilities assumed	164

Net non-cash assets acquired	2,808
Cash acquired	148
Purchase price	\$ 2,956
Note payable issued to ULM stockholder	\$ 800
Cash paid for acquisition	1,750
Contingent consideration	406
Purchase price	\$ 2,956
Sale of Lectro:	
Assets sold:	
Accounts receivable	\$ 2,158
Inventories	1,770
Other current assets	22
Property	1,832
Other assets	4
Total non-cash assets	5,786
Liabilities	1,878
Long-term debt	343
Total liabilities	2,221
Net non-cash assets sold	\$ 3,565
Sale Price	\$ 12,350
Transaction costs	(521)
Note receivable	(450)
Net cash proceeds	\$ 11,379

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MASTEC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
for the three years ended December 31, 1995
(In Thousands)

	1994
Acquisition of Burnup & Sims:	
Fair value of net assets acquired:	
Accounts receivable, net of allowances of \$1,482	\$ 18,274
Inventories and other current assets	7,524
Investments	9,000
Property	40,685
Real estate investments and other assets	32,645
Total non-cash assets	\$ 108,128
Liabilities	\$ 49,559
Long-term debt	31,776
Total liabilities assumed	\$ 81,335
Net non-cash assets acquired	26,793
Cash acquired	6,362
Net value of assets acquired	\$ 33,155
Purchase price	\$ 33,155
Acquisition of DTI:	
Fair value of net assets acquired:	
Accounts receivable	\$ 2,878
Inventories and other current assets	389
Property	1,270
Real estate investments and other assets	550
Total non-cash assets	\$ 5,087

Liabilities	1,988
Long-term debt	471

Total liabilities assumed	\$ 2,459

Net non-cash assets acquired	2,628
Cash acquired	223

Purchase price	\$ 2,851

Note payable issued to DTI's stockholders	\$ 1,851
Cash paid for acquisition	1,000

Purchase Price	\$ 2,851
	=====

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MasTec, Inc.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In Thousands)
for the three years ended December 31, 1995

	1995	1994
	-----	-----
Acquisition of assets of Buchanan:		
Fair value of net assets acquired:		
Equipment		\$ 3,828
Liabilities assumed		2,978

Cash paid for acquisition		\$ 850
		=====
Property acquired through financing arrangements	\$ 9,452	\$ 2,989
	=====	=====
Property acquired through capital leases	\$ 0	\$ 1,764
	=====	=====

In 1995, the Company's purchase of Supercanal was financed in part by the seller for \$ 7 million.

During 1995, MasTec issued \$146,000 of common stock from treasury for purchases made by the MasTec, Inc. 401(k) Retirement Savings Plan. Capital surplus was increased by \$92,000.

During 1994, MasTec sold equipment in exchange for a note receivable for \$631,000.

During 1994, MasTec issued \$96,000 of common stock from treasury to its employees. Capital surplus was reduced by \$ 22,000.

During 1993, the CT Group declared distributions to stockholders of \$11,500,000. Of the amounts declared, \$8,500,000 was paid in cash in 1993, \$500,000 in 1994 and \$2,500,000 was paid in 1995.

The accompanying notes are an integral part of these consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES:

Nature of business

The Company's principal business consists of the installation and maintenance of aerial, underground and buried copper and fiber optic cable, underground conduit, manhole systems and related construction for local telephone companies, including Regional Bell Operating Companies such as BellSouth Telecommunications, Inc., U.S. West, Inc. and SBC Communications, Inc. (d/b/a Southwestern Bell), and non-Bell local telephone companies such as Sprint Corp. and GTE Corp. (collectively, "telcos"). The Company also provides construction services to non-telco public utilities that are similar to the telecommunications construction services it provides to telcos. The Company also provides telecommunications construction services to long-distance telephone companies, competitive access providers, and cable television operators primarily in the United States and to local and long-distance telephone companies and CATV operators in Latin America.

The Company also provides services that are complimentary to the Company's construction business, such as the installation and maintenance of traffic control and signalization devices, the clearance of utility company rights of way, the installation and maintenance of "smart highway" signalization devices and the construction of transmission towers for personal communication services providers. These services are rendered to municipalities, public utilities, private businesses and government agencies such as state departments of transportation. The Company also designs, installs and maintains local area communications networks for private businesses.

In addition, the Company also provides general construction and project management services to municipalities and state and local governments.

Management's estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Principles of consolidation

The Consolidated Financial Statements include MasTec, Inc. and its subsidiaries (the "Company" or "MasTec"). All material intercompany accounts and transactions have been eliminated. Certain prior year amounts have been reclassified to conform to the current presentation. The 1994 income statement has been reclassified to reflect the discontinuation of certain non-core operations acquired as part of the Acquisition (as defined below). (See Note 16.)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

The Combined Financial Statements for the years ended December 31, 1993 include the accounts of Church & Tower of Florida, Inc. ("CTF") and Church & Tower, Inc. and its majority owned joint venture ("CT"), collectively referred to as the "CT Group". All material intercompany accounts and transactions have been eliminated.

On March 11, 1994, the CT Group acquired Burnup & Sims Inc. ("Burnup & Sims") in a purchase transaction accounted for as a reverse acquisition (the "Acquisition"). (See Note 2.)

Revenue recognition

Revenue and related costs for short-term construction projects, which includes master contracts, are recognized when the projects are completed.

Revenue from long-term construction contracts are accounted for by the percentage-of-completion method under which income is recognized based on the estimated stage of completion of individual contracts. Losses, if any, on such contracts are provided for when they become known. Billings in excess of costs and estimated earnings on uncompleted contracts are classified as current liabilities. Any costs in excess of billings are classified as current assets.

The Company also provides management, coordination, consulting and administration services for construction projects. Compensation for such services is recognized ratably over the term of the service agreement.

Earnings per share

Earnings per share is computed by dividing net income by the weighted average number of common and common equivalent shares during the period. Outstanding stock options are considered common stock equivalents and are included in the calculation using the treasury stock method. In computing the 1995 loss per share, stock options are not considered because they have an anti-dilutive effect.

Fully diluted earnings per share, assuming conversion of the Debentures with corresponding adjustments for interest expense, net of tax, is not presented because the effect of conversion is anti-dilutive. Earnings per share for the year ended December 31, 1993 was computed using the number of shares outstanding after giving retroactive effect to the 10,250,000 shares received by the former shareholders of the CT Group.

Cash and cash equivalents

The Company considers all short-term investments with maturities of three or less when purchased to be cash equivalents. At December 31, 1995 and 1994, cash and cash equivalents included time deposits of \$470,000 and \$1.4 million, respectively.

The Company places its temporary cash investments with high credit quality financial institutions. At times, such investments may be in excess of the F.D.I.C. insurance limits. The Company has not experienced any loss to date on these investments.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 1995, 1994 AND 1993

Inventories

Inventories (consisting principally of material and supplies) are carried at the lower of first-in, first-out cost or market.

Property and equipment, net

Property and equipment are recorded at cost, less accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful life of the assets as follows: buildings and improvements -- 5 to 20 years and machinery and equipment -- 3 to 7 years. Leasehold improvements are amortized over the shorter of the term of the lease or the estimated useful lives of the improvements.

Expenditures for repairs and maintenance are charged to expense as incurred. Expenditures for betterments and major improvements are capitalized. The carrying amounts of assets sold or retired and related accumulated depreciation are eliminated in the year of disposal and the resulting gains and losses are included in income.

Investments

The Company's investment in preferred stock, consisting of 150,000 shares of 7% cumulative preferred stock with a liquidation value of \$15,000,000, and in real estate located primarily in Florida, acquired in connection with the Acquisition, are stated at their estimated fair value. (See Note 5 regarding special charge to adjust the value of the Company's real estate and investments held for sale.) Investments in unconsolidated companies are accounted for following the equity method of accounting.

Accrued insurance

The Company is self-insured for certain health care, property and casualty and worker's compensation exposure and, accordingly accrues the estimated losses not otherwise covered by insurance.

Income taxes

Prior to March 11, 1994, the CT Group was taxed under the Subchapter S provisions of the Internal Revenue Code (IRC), which provide that taxable income be included in the federal income tax returns of the individual stockholders. Accordingly, no provision for income taxes has been recorded in the combined statements of income for the year ended December 31, 1993.

As a result of the Acquisition, the Company became a taxable corporation and effective for the year ended December 31, 1994, records income taxes using the liability method. Under this method, the Company records deferred taxes based on temporary taxable and deductible differences between the tax bases of the Company's assets and liabilities and their financial reporting bases. A valuation allowance is established when it is more likely than not that some or all of the deferred tax assets will not be realized.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 1995, 1994 AND 1993

Environmental expenditures

Environmental expenditures that result from the remediation of an existing condition caused by past operations are expensed. Liabilities are recognized when cleanup requirements are probable and the cost can be reasonably estimated.

Changes in accounting standards

Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long Lived Assets to be Disposed Of", is effective for fiscal years beginning after December 15, 1995. This statement requires that long lived assets and certain identifiable intangibles be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. This pronouncement is not expected to have a material impact on the financial statements of the Company.

SFAS No. 123, "Accounting for Stock-Based Compensation" is effective for transactions entered into in fiscal years that begin after December 15, 1995. This pronouncement establishes financial accounting and reporting standards for stock-based employee compensation plans. It encourages, but does not require companies to recognize compensation expense for grants of stock, stock options and other equity instruments to employees based on new fair value accounting rules. Companies that choose not to adopt the new fair value accounting rules will be required to disclose pro forma net income and earnings per share under the new method. The Company anticipates adopting the disclosure provisions of SFAS No. 123, although the impact of such disclosure has not been determined.

2. ACQUISITIONS AND INVESTING ACTIVITIES

Burnup & Sims

The CT Group was acquired, through an exchange of stock, effective March

11, 1994, by Burnup & Sims, a publicly traded company with business activities similar to the CT Group. As a result of the Acquisition, the stockholders of the CT Group received approximately 65% of the shares of Burnup & Sims in exchange for 100% of the shares of the CT Group. Immediately following the Acquisition, the name of Burnup & Sims was changed to MasTec, Inc. and its fiscal year end was changed to December 31.

Under generally accepted accounting principles, the Acquisition was accounted for as a reverse acquisition whereby the CT Group was considered the acquirer and, therefore, the 1993 financial statements presented are those of the CT Group only. In addition, the results for the year ended December 31, 1994 include the operations of the CT Group during all of 1994 and the operations of Burnup & Sims from March 11, 1994 to December 31, 1994.

The purchase price "paid" by the CT Group for Burnup consisted of the market value of Burnup & Sims Common Stock not acquired by CT Group shareholders in the merger, which equaled \$32,355,000 (5,777,592 shares outstanding at an average market price of \$5.60 per share) and \$800,000 of acquisition costs incurred by the CT Group, resulting in a total purchase price of \$33,155,000.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

DTI

On June 22, 1994, the Company acquired all of the outstanding shares of stock of Designed Traffic Installation Company ("DTI"), for \$1,000,000 in cash and a promissory note in the amount of \$1,851,000 in a transaction accounted for as a purchase. The Company may also pay an additional amount contingent upon certain specific percentages of net pretax earnings earned by DTI over the next four years. An estimate of such contingent consideration based on earnings has been recorded in the accompanying financial statements.

Buchanan

On July 26, 1994, the Company purchased from Buchanan Contracting Company machinery and equipment and the seller's rights under two master contracts with BellSouth Telecommunications, Inc. covering the Montgomery, Alabama and Memphis, Tennessee areas, the name "Buchanan Contracting Company Incorporated" and certain leases for \$850,000 in cash, a promissory note of \$1,061,000 and an assumption of debt related to the equipment purchased of \$1,917,000. The acquisition was accounted for as a purchase.

Devono Loan

On July 14, 1995 the Company made a \$25.0 million term loan to Devono Company Limited, a British Virgin Islands corporation ("Devono"), at an annual interest rate of 15% for a term of 180 days (the "Devono Loan"). Devono may extend the term of the Devono Loan at an annual interest rate of 17.5% for two additional ninety day periods, the first of which 90-day extensions has been exercised. The Devono Loan is non-recourse to Devono, and, in the event of a default, the Company's sole recourse will be to its security interest in 40% of the outstanding and issued shares of the common stock of an Ecuadorian company that owns a 52.6% interest in Consorcio Ecuatoriano de Telecomunicaciones, S.A., a company operating a cellular phone network in the Republic of Ecuador. Pursuant to the loan agreement, the Company may elect to be repaid by Devono transferring the pledge shares of Cempresa to the Company.

ULM

On July 17, 1995, the Company purchased for \$2.96 million the outstanding stock of Utility Line Maintenance, Inc. ("ULM"), a company engaged in the utility right of way clearance business. The stockholder of ULM received \$1.75 million at closing, a 48 month 8% note for \$800,000 with the balance of the purchase price to be paid over the next four years based on future pre-tax earnings of ULM.

Triduct/Sealand

On October 10, 1995, the Company purchased from Sealand Construction and Engineering Systems, Inc. and Triduct Corporation (collectively referred

to as "Sealand") certain machinery and equipment and the seller's rights under two master contracts with BellSouth Telecommunications, Inc. covering the Huntsville and Decatur, Alabama area for approximately \$2.1 million.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

Supercanal

On October 19, 1995, the Company acquired a 33% interest in Supercanal, S.A., a CATV operator in Argentina, as well as interests in a magazine, a newspaper and a radio station. The total purchase price was \$13.6 million, \$6.6 million of which was paid at closing and \$7.0 million of which is payable over 24 months at 8% interest. In March 1996, the Company acquired an additional 3% of Supercanal, S.A. in exchange for \$2.0 million and the Company's interest in the radio station and newspaper.

Teleport

Also in November 1995, the Company, purchased an FCC-licensed international long distance teleport facility for the reception and retransmission of voice, data and video from Latin America and the Caribbean to the United States. The purchase price for the teleport facility, which is located on four acres in Miami, Florida, was approximately \$750,000. As of December 31, 1995, the Company had invested approximately \$600,000 in telecommunications and other equipment in the facility.

TPP

In November 1995, the Company agreed to purchase 28.6% of Telecomunicaciones Publicas y Privadas, S.A. de C.V. ("TPP"), a Mexican public pay telephone company, for \$6.0 million, with an option to purchase an additional 21.4%. At December 31, 1995, the Company had invested \$670,000 representing a 4.3% interest.

The costs of certain acquisitions described above were allocated to the estimated fair value of acquire assets and liabilities assumed based on independently and internally generated information obtained to date. The most significant adjustment to the balance sheet resulting from the acquisitions are disclosed in the supplemental schedule of non-cash investing and financing activities in the consolidated statement of cash flows.

In February 1996, the Company purchased for \$6,750,000 the outstanding stock of Carolina Com-Tec, Inc., a company engaged in installing and maintaining voice, data and video networks. The stockholders of Carolina Com-Tec, Inc. received \$1.0 million at closing, a \$2.0 million note due June 1, 1996, and a \$1.5 million 8% note payable in quarterly installments over four years. The balance of the purchase price is payable over the next four years based on future pre-tax earnings of Carolina Com-Tec, Inc.

The following information presents the unaudited pro forma consolidated results of operations for the year ended December 31, 1994 of MasTec as if the Burnup & Sims and DTI acquisitions had occurred at the beginning of 1994, after giving effect to certain adjustments, including depreciation of assets acquired, reduced interest income as a result of the redemption of subordinated debentures and other receivables of Burnup & Sims, and the related income tax effect of the adjustments, including the conversion to a taxable corporation. The unaudited pro forma results presented below reflects reclassification of discontinued operations.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

(In Thousands Except Per Share Amounts)

1994

Revenue	\$ 130,660
---------	------------

Income from continuing operations	\$	3,561
Net income	\$	4,079
Earnings per share from continuing operations	\$	0.22
Earnings per share	\$	0.25

These results are presented for informational purposes only and are not necessarily indicative of the results of operations or financial position of MasTec had the Burnup & Sims and DTI acquisitions occurred at the beginning of 1994 or of future results of the combined companies.

3. ACCOUNTS RECEIVABLE-NET

Accounts receivable are net of an allowance for doubtful accounts of \$1,146,000, \$1,404,000, and \$250,000 at December 31, 1995, 1994 and 1993 respectively. The Company had no allowance at December 31, 1992. The Company recorded a provision for doubtful accounts of \$425,000, \$268,000 and \$250,000 during 1995, 1994 and 1993, respectively. In addition, the Company recorded write-offs of \$683,000, \$596,000 and \$0 during 1995, 1994 and 1993, respectively.

Accounts receivable include retainage which has been billed but is not due until completion of performance and acceptance by customers, and claims for additional work performed outside original contract terms. Retainage aggregated \$2,561,000 and \$1,491,000 at December 31, 1995 and 1994, respectively.

4. PROPERTY AND EQUIPMENT:

Property and equipment was comprised of the following as of December 31, 1995 and 1994 (in thousands):

	1995	1994
Land	\$ 5,645	\$10,878
Buildings and improvements	5,362	3,879
Machinery and equipment	43,605	30,354
Office furniture and equipment	1,194	1,093
	-----	-----
	55,806	46,204
Less-accumulated depreciation	(11,235)	(6,102)
	-----	-----
	\$44,571	\$40,102
	=====	=====

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 1995, 1994 AND 1993

5. REAL ESTATE AND INVESTMENTS WRITE-DOWNS

In the third quarter of 1995, the Company decided to accelerate the pace of its disposal of non-core real estate assets by selling the majority of these assets in a bulk sale. Primarily as a result of the Company's decision, the Company recorded a special charge of \$15.4 million to adjust the carrying values of its real estate investments to estimated net realizable value based on offers received by the Company to dispose of certain real estate in a bulk transaction. The original value assigned to the real estate investments contemplated the disposition of the properties on an individual basis and no consideration had previously been given to a bulk sale. In February 1996, the Company sold 342 acres of real estate resulting in an additional charge of \$3.2 million was recorded in the fourth quarter of 1995 to reduce the carrying value of such real estate to the value realized.

In March 1996, the Company sold its investment in preferred stock and was repaid certain receivables due the Company from the buyer for a total consideration of \$6.3 million, the proceeds of which have been invested in short-term investments.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

6. DEBT:

Debt is summarized as follows as of December 31, 1995 and 1994 (in thousands):

	1995	1994
Revolver, at LIBOR plus 2.00% (7.25% at December 31, 1995)	\$ 10,982	\$ 0
Term Loan, at LIBOR plus 2.25% (7.88% at December 31, 1995)	10,126	0
Term Loan, at 7.7% fixed	636	1,144
Equipment Loan, at LIBOR, plus 2.25% (7.88% at December 31, 1995)	12,500	0
Other note payables for equipment, at 7.42% due in monthly installments through the year 2000	5,352	0
Note payable for equipment, at interest rates from 6.0% to 9.5% due in installment through the year 2000	9,330	3,899
Note payable, at 7% due in four semi-annual installments through July 1996	958	1,851
Note payable, at 7% due in eight quarterly installments through July 1, 1996	265	796
Note payable, at 8% due in 48 monthly installments through June 1999	701	0
Note payable, at 8% due in 24 monthly installments through October 1997	6,458	0
Real estate mortgage note, at 8.53%, monthly installments of \$12.5 commencing February 1996, with a final installment of \$2,200 in the year 2001	2,070	0
Real estate mortgage note, at 9.5% quarterly due November 1996	461	0
12% Convertible Subordinated Debentures	12,250	21,875
Term Loan, at prime rate plus 0.5% (9% at December 31, 1994)	0	8,294

Term Loan, at Prime rate plus 0.5% (9% at December 31, 1994)	0	1,000
Notes payable to stockholders, at prime rate plus 2% (10.5% at December 31, 1994)	0	2,500
Capital leases, at interest rates from 6% to 12% due in installments through the year 2000	0	3,826
	-----	-----
Total Debt	72,089	45,185
Less Current Maturities	(27,863)	(9,229)
	-----	-----
Long Term Debt	\$ 44,226	\$ 35,956
	=====	=====

Not included in the preceding table at December 31, 1995 is approximately \$2.2 million in capital leases related to discontinued operations (see Note 16).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

The 12% Convertible Subordinated Debentures (the "Debentures") require an annual payment to a sinking fund, which commenced November 15, 1990, calculated to retire 75% of the issue prior to maturity. The Company has the option to redeem all or part of the Debentures prior to the due date by paying the principal amount at face value. The Debentures are convertible into Common Stock at an adjusted conversion price of \$16.79 per share. At December 31, 1995, approximately 730,000 shares were reserved for conversion. The terms of the Debentures include certain restrictions on the payment of dividends. On April 17, 1995, the Company prepaid \$7.0 million of the Debentures.

The Company maintains a \$40.0 million credit facility with Shawmut Capital Corporation n/k/a Fleet Capital Corporation (the "Shawmut Credit Facility"). The Shawmut Credit Facility is comprised of three sub-facilities: a \$12.0 million term loan (the "Term Loan") collateralized by certain equipment, a \$15.5 million revolving loan (the "Revolver") collateralized by receivables and inventory and a \$12.5 million equipment revolver term loan (the "Equipment Loan") collateralized by new or used equipment purchased under the Equipment Loan facility. The Company used a portion of the proceeds of the Term Loan to repay \$10.4 million in term loans outstanding at December 31, 1994. The remaining portion of the Term Loan was used primarily to finance new equipment purchases and costs associated with obtaining the Shawmut Credit Facility.

Interest on the Term Loan and Equipment Loan accrue, at the Company's option, at the rate of prime or 2.25% over LIBOR. Interest on the Revolver accrues, at the Company's option, at the rate of prime or 2.00% over LIBOR.

The Shawmut Credit Facility required the Company to pay a commitment fee of \$162,500 and an unused line fee at an annual rate of one quarter of one percent of the amount of the unused facility. The Term Loan is payable in quarterly installments based upon a ten year amortization. The Equipment Loan is payable in quarterly installments based on a four year amortization commencing January 1996. The Shawmut Credit Facility expires in January 2000.

Debt agreements contain, among other things, restrictions on the payment of dividends and require the observance of certain financial covenants such as minimum levels of cash flow and tangible net worth.

The Company has letters of credit outstanding totaling \$3.8 million. These letters of credit were issued primarily as security to the Company's insurance administrators as part of its self-insurance program.

At December 31, 1995 debt matures as follows:

1996	\$ 27,863
1997	14,416
1998	10,831
1999	9,691
2000	3,264

after 2000	6,024

Total	\$ 72,089
	=====

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

7. LEASED PROPERTIES

The Company leases certain operating equipment, offices and equipment yard facilities under cancelable and noncancelable agreements.

Future minimum lease payments under all leases with initial or remaining noncancelable lease terms in excess of one year at December 31, 1995 are as follows (in thousands):

	Operating Leases
1996	\$ 577
1997	373
1998	104

Total minimum lease payments	\$ 1,054
	=====

Lease agreements frequently include renewal options and require that the Company pay for utilities, taxes, insurance and maintenance expense. Options to purchase are also included in some lease agreements, particularly capital leases.

See note 6 regarding capital leases of discontinued operations.

8. STOCK OPTION PLANS

The Company had two non-qualified stock option plans (the "1976 and 1978 Plans") which were replaced by the 1994 Stock Incentive Plan (the "1994 Plan").

The 1976 Plan provides that options may be exercised in four increments beginning 18 months subsequent to the date of grant. Upon exercise of the option, the Company will reduce the optionee's purchase price by an amount equal to the increase in the fair market value on the exercise date of the shares being purchased over the fair market value of such shares on the date the option was granted. The purchase price, however, cannot exceed 85% of the fair market value of such shares on the exercise date, and in no event can the exercise price be less than \$.10 per share. The holder of the option has the alternative right to cancel such option and instead to exercise stock appreciation rights entitling the holder to receive cash under certain circumstances. The 1978 Plan provides that options may be exercised in four increments beginning one year subsequent to the date of grant. There is no subsequent adjustment of the purchase price. Approximately 26,100 shares have been reserved for and may still be issued in accordance with the terms of options issued under the 1976 and 1978 Plans.

The 1994 Plan authorized the grant of options or awards of up to 800,000 shares of the Company's Common Stock of which 200,000 shares of common stock may be awarded as restricted stock. As of December 31, 1995, options to purchase 279,100 shares had been granted, 22,120 of which were exercisable at December 31, 1995. Options become exercisable over a five year period in equal increments of 20% per year beginning the year after the date of grant and must be exercised within 10 years from the date of grant. Options are issued with an exercise price no less than the fair market value of the shares at the grant date.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

The Company also adopted the 1994 Stock Option Plan for Non-Employee Directors (the "Directors' Plan"). The Directors' Plan authorized the grant of options to purchase up to 400,000 shares of the Company's common stock to the non-employee members of the Company's Board of Directors. Options to purchase 45,000 shares have been granted to two Board members,

5,000 of which are exercisable at December 31, 1995. The options granted become exercisable ratably over a three year period from the date of grant and may be exercised for a period of up to ten years beginning the year after the date of grant at an exercise price equal to the fair market value of such shares on the date the option is granted.

Approximately 1,200,000 shares of Common Stock have been reserved for issuance under the 1994 Plan and Director Plan.

In addition, during 1994 options to purchase 100,000 shares of common stock at \$5.75 per share were granted to a director outside the Directors' Plan in lieu of the Director's Plan and annual fees paid to the director. Compensation expense of \$42,500 in connection with the issuance of this option is being recognized annually over the five year vesting period. The options are exercisable ratably over a five year period beginning the year after the date of grant and may be exercised for a period of up to ten years beginning the year after the date of grant.

The following is a summary of all stock option transactions:

	Shares	Exercise Price
Outstanding December 31, 1993	0	
Options outstanding under acquired plans	32,800	\$ 0.10-\$2.00
Granted	240,500	\$ 5.75-\$7.94
Exercised	(1,500)	\$ 2.00
Canceled	0	
	-----	-----
Outstanding December 31, 1994	271,800	\$ 0.10-\$ 7.94
Granted	202,000	\$10.25-\$13.38
Exercised	(2,100)	\$ 0.10-\$ 7.94
Canceled	(21,500)	\$ 0.10-\$13.38
	-----	-----
Outstanding December 31, 1995	450,200	\$ 0.10-\$13.38
	=====	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

9. INCOME TAXES

Prior to March 11, 1994, the Company was an S Corporation under the IRC and, therefore, the results of operations for the year ended December 31, 1993, do not include a provision for income taxes, as the income of the Company passed directly to the stockholders.

On March 11, 1994, the Company became a taxable corporation and the effect of recognizing the change in tax status of approximately \$435,000 is included in the provision for income taxes for the year ended December 31, 1994.

The provision for income taxes consists of the following (in thousands):

	1995	1994
Current		
Federal	\$ 4,821	\$ 2,444
State	(284)	375
	-----	-----
	4,537	2,819
	-----	-----

Deferred		
Federal	(5,879)	(422)
State	(493)	(72)
	-----	-----
	(6,372)	(494)
	-----	-----
(Benefit) provision for income taxes	(1,835)	2,325
Discontinued operations	135	552
	-----	-----
Total	\$ (1,700)	\$ 2,877
	=====	=====

The tax effects of significant items comprising the Company's net deferred tax liability as of December 31, 1995 and 1994 are as follows (in thousands):

	1995	1994
Deferred tax assets:		
Accrued self insurance	\$ 2,773	\$ 2,619
Operating loss and tax credit carryforward	543	422
Accrual for disposal of discontinued operations	1,503	0
All other	2,708	2,639
	-----	-----
Total deferred tax assets	\$ 7,527	\$ 5,680
	-----	-----
Deferred tax liabilities:		
Property and equipment	\$ 5,873	\$ 4,070
Asset revaluations	2,604	15,219
All other	2,820	2,241
	-----	-----
Total deferred tax liabilities	\$ 11,297	\$ 21,530
	-----	-----
Valuation allowance	400	0
	-----	-----
Net deferred tax liabilities	\$ 4,170	\$ 15,850
	=====	=====

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 1995, 1994 AND 1993

The net change in the valuation allowance for deferred tax assets in 1995 was an increase of \$400,000. The change relates primarily to foreign net operating losses generated in the current year.

Deferred tax assets of \$1,068,000 and \$436,000 for 1995 and 1994, respectively, have been recorded in current assets in the accompanying consolidated financial statements.

A reconciliation of the difference between actual income tax expense and income taxes for continuing operations computed at the federal statutory tax rate is as follows:

	1995	1994
U.S. federal statutory rate		
applied to pretax income	(35) %	34 %
State and local taxes	(2)	5
Effect of dividend exclusion	(5)	(2)
Change in tax status	0	(9)
Foreign loss producing no tax benefit	6	0
Adjustment of prior years' taxes	(5)	0
Change in federal statutory tax rate	9	0
Change in state tax filing status	(8)	0
Other	3	(2)
	-----	-----
(Benefit) Provision for income taxes	(37) %	26 %
	=====	=====

The Internal Revenue Service is currently auditing the tax returns of Burnup & Sims for the fiscal years ended April 30, 1989 through April 30, 1993. Adjustments, if any, as a result of this audit will be recorded as an adjustment to purchase accounting.

10. CAPITAL STOCK

The Company has authorized 50,000,000 shares of its \$.10 par value Common

Stock. At December 31, 1995 and 1994, 26,434,814 shares of Common Stock were issued, 16,055,056 and 16,038,581 shares were outstanding, respectively, and 10,379,758 and 10,396,233 were held in treasury, respectively. At December 31, 1993, the Company's stockholders' equity was retroactively restated to account for the Acquisition in March 1994. The restatement gives effect to the number of shares of Common Stock received by the CT Group shareholders at the date of the Acquisition.

At the date of the Acquisition, the Company transferred the CT Group's previously reported undistributed earnings and profits of approximately \$11,165,000 to capital surplus.

At December 31, 1995, the Company had 5,000,000 shares of authorized but unissued preferred stock.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

11. BUSINESS SEGMENTS:

Business segment information is summarized as follows (in thousands):

	1995	1994	1993
	-----	-----	-----
Revenue:			
Telecommunication construction services	\$ 172,010	\$ 110,609	\$ 34,010
General construction services	2,539	685	10,673
Telecommunication operations	34	0	0
	-----	-----	-----
Total	\$ 174,583	\$ 111,294	\$ 44,683
	=====	=====	=====
(Loss) income from continuing operations before equity in (losses)earnings of unconsolidated companies, income taxes and minority interest:			
Telecommunication construction services	\$ 14,969	\$ 11,291	\$ 9,351
General construction services	1,410	140	2,266
Telecommunication operations	(1,241)	0	0
Corporate	(19,974)	(2,659)	(6,042)
	-----	-----	-----
Total	\$ (4,836)	\$ 8,772	\$ 5,575
	=====	=====	=====
Identifiable assets:			
Telecommunication construction services	\$ 92,082	\$ 64,668	\$ 17,405
General construction services	2,115	1,344	400
Telecommunication operations	45,135	0	0
Corporate and discontinued operations	30,831	76,440	3,520
	-----	-----	-----
Total	\$ 170,163	\$ 142,452	\$ 21,325
	=====	=====	=====
Depreciation and amortization expense:			
Telecommunication construction services	\$ 6,454	\$ 4,329	\$ 609
Telecommunication operations	2	0	0
Corporate	457	110	0
	-----	-----	-----
Total	\$ 6,913	\$ 4,439	\$ 609
	=====	=====	=====
Capital expenditures:			
Telecommunication construction services	\$ 20,431	\$ 5,901	\$ 2,036
Telecommunication operations	1,061	0	0
Corporate and discontinued operations	2,628	3,124	0
	-----	-----	-----
Total	\$ 24,120	\$ 9,025	\$ 2,036
	=====	=====	=====

The Company's operations are organized into three principal business segments, telecommunications and related construction services, general construction services, and telecommunications operations. There are no material intersegment sales or transfers. Identifiable assets are those

assets used for operations in each business segment. Corporate assets are principally invested in cash, preferred stock, real estate, and the net assets of the discontinued operations. (See Note 16 regarding discontinued operations.)

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

12. RELATED PARTY TRANSACTIONS:

The Company rents and purchases construction equipment from affiliates. During 1995, 1994 and 1993, the Company incurred approximately \$544,000, \$617,000 and \$249,000, respectively, of equipment rental expense and purchased approximately \$332,000, \$528,000 and \$1,432,000 respectively, from these affiliates. Additionally, at December 31, 1995 and 1994 the Company had recorded \$106,000 and \$169,000 as amounts due from affiliates. These amounts are included in accounts receivable in the accompanying balance sheets.

During 1993, the Company declared distributions of Subchapter S earnings to stockholders of \$11,500,000. Of the amounts declared, \$2,500,000, \$500,000 and \$8,500,000 were paid in cash during 1995, 1994 and 1993, respectively. Notes receivable from stockholders bear interest at the prime rate plus 2% (10.5% at December 31, 1995). Interest on the notes is payable annually with principal due on July 15, 1996.

The Company also leases one equipment storage facility from a stockholder at an annual rent of \$48,000 expiring on October 31, 1998.

13. SIGNIFICANT CUSTOMERS AND CONCENTRATION OF CREDIT RISK:

The Company provides telecommunications and related construction services primarily to BellSouth Telecommunications, Inc. Revenue from this entity for the years ended December 31, 1995, 1994 and 1993 were approximately \$73.1 million, \$48.3 million and \$29.1 million, respectively. Accounts receivable from the Company's three largest customers at December 31, 1995 and 1994 were \$19.3 million and \$11.6 million, respectively.

In addition, the Company recognized revenue from a municipality in connection with a construction project of approximately \$10.7 million during the year ended December 31, 1993.

14. COMMITMENTS AND CONTINGENCIES:

In 1990 and 1993 purported class action and derivative complaints were filed against the Company, members of its Board of Directors and the Company's then largest stockholders. The 1993 complaint also named CT and CTF and their principal shareholders. The complaints generally alleged, among other things, that the defendants breached their fiduciary duties in connection with certain corporate transactions which occurred prior to the Acquisition and certain other matters which allegedly could have impacted the terms of the Acquisition. The 1993 complaint also claims derivatively that each member of the Board of Directors engaged in mismanagement, waste and breach of their fiduciary duties in managing the Company's affairs.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

In November 1993, Albert Kahn filed a class action and derivative complaint against Burnup & Sims, the members of its Board of Directors, the CT Group, and Jorge L. Mas, Jorge Mas and Juan Carlos Mas, the principal stockholders of the CT Group. The 1993 lawsuit alleges, among other things, that the Burnup & Sims Board of Directors and NBC breached their respective fiduciary

duties by approving the terms of the Acquisition and also claims derivatively that each member of the Burnup & Sims Board of Directors engaged in mismanagement, waste and breach of their fiduciary duties in managing Burnup & Sims' affairs. On March 7, 1994, the Delaware court in which these suits were filed denied plaintiff's motion to enjoin the Acquisition.

The Company is involved in a lawsuit filed by BellSouth Telecommunications, Inc. arising from certain work performed by a subcontractor of the Company from 1991 to 1993 and a second lawsuit filed by the County of Gilpin, Colorado, against the Company in connection with work performed for U.S. West, Inc. in 1992. The amounts claimed against the Company in these two lawsuits in the aggregate total approximately \$1.4 million. Both lawsuits were filed in November 1995 and are in the early stages of discovery. The Company believes that the allegations asserted by BellSouth and Gilpin County are without merit and intends to defend these lawsuits vigorously.

The Company also is a defendant in a lawsuit between parties unrelated to the Company regarding enforcement of a purchase agreement to which the Company is not a party. The plaintiffs in the lawsuit allege that one of the other defendants in the lawsuit was acting as agent for the Company. The plaintiffs seek damages in excess of \$500,000 against all defendants. The litigation is in the early stages and the Company has filed a motion to dismiss the complaint, which motion is pending. The Company believes that the allegations asserted against the Company in this lawsuit are without merit and intends to defend this lawsuit vigorously.

The Company believes that the allegations in these complaints are without merit, and intends to defend these lawsuits vigorously.

All of the claims asserted in the lawsuits described above, with the exception of the second lawsuit filed by Alfred Kahn in 1994, arise from activities undertaken prior to March 11, 1994, the date of the Acquisition.

The Company is also a defendant in other legal actions arising in the normal course of business. The Company believes, that the amount provided in the financial statements of the Company are adequate to cover the estimated losses expected to be incurred in connection with these matters.

In 1990, Trilogy Communications, Inc. filed suit against Excom Realty, Inc., a wholly owned subsidiary of the Company, for damages and declaratory relief. The Company counterclaimed for damages. On May 1, 1995, the Company settled its counterclaim for \$1.3 million, which is recorded as other income in the accompanying consolidated financial statements.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 1995, 1994 AND 1993

In connection with certain construction contracts, the Company has signed certain agreements of indemnity in the aggregate amount of approximately \$93.4 million, of which approximately \$49.5 million relate to the uncompleted portion of contracts in process. These agreements are to secure the fulfillment of obligations and performance of the related contracts. Included in these amounts are \$57.8 million, of which \$28.2 million relate to the uncompleted portion of contracts in process related to the general construction services segment. Management believes that no losses will be sustained from these agreements.

Federal, state and local laws and regulations govern the Company's operation of underground fuel storage tanks. The Company is in the process of removing, restoring and upgrading these tanks, as required by applicable laws, and has identified certain tanks and surrounding soil which will require remedial cleanups. In this respect, the Company recorded in 1993 approximately \$566,000 in provisions for costs to be incurred in connection with these cleanups. The Company does not expect future costs to be incurred in connection with these clean-ups to exceed the amounts which have been accrued in the accompanying financial statements.

15. FAIR VALUE

For certain of the Company's financial instruments, including cash and cash equivalents, accounts and notes receivable, accounts payable, other accrued liabilities, and notes payable the carrying amounts approximate fair value due to their short maturities. Long term floating rate notes are carried at amounts that approximate fair value. As a result of the acquisitions described in Note 2, other financial instruments, including the Debentures and the investment in preferred stock, were recorded at their estimated fair values at the acquisition date. The estimated fair values were based on quoted market rates and third party valuations for instruments with similar risk terms and maturities. (See Note 5.)

The Company uses letters of credit to back certain insurance policies. The letters of credit reflect fair value as a condition of their underlying purpose and are subject to fees competitively determined in the market place.

The estimated fair values may not be representative of actual values of the financial instruments that could have been realized as of year end or that will be realized in the future.

16. DISCONTINUED OPERATIONS

In the third quarter of 1995, the Company determined to concentrate its resources and better position itself to achieve its strategic growth objectives by disposing of all of the general products segment that the Company acquired as part of the Acquisition. (See Note 2.) These operations and assets include Southeastern Printing Company, Inc. ("Southeastern"), Lectro Products, Inc. ("Lectro") and Floyd Theatres, Inc. ("Floyd Theatres").

In March 1995, the Company sold the indoor theater assets of Floyd Theatres for approximately \$11.5 million of which \$1.8 million was used to satisfy liabilities not assumed by the buyer and transaction costs incurred. A gain

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 1995, 1994 AND 1993

of \$1.5 million net of tax, resulted from this transaction in the first quarter. A portion of the proceeds (\$7.0 million) was used to prepay a portion of the Debentures. In August 1995, the Company sold the stock of Lectro for \$11.9 million in cash and a note receivable (the "Note") of \$450,000. Proceeds, net of transaction expenses were \$11.3 million. A gain of \$5.9 million, net of tax was recorded in the third quarter. The proceeds were used to repay \$10.0 million borrowed to finance the Devono Loan. A portion of the Note (\$250,000) is subject to adjustment based on ultimate collectability of Lectro's accounts receivable as of June 30, 1995. Any changes in proceeds from the Note as a result of any adjustments are not expected to be material.

The remaining outdoor theatre operations of Floyd are currently being marketed for sale as either operating facilities or for the underlying real estate value. In the third quarter of 1995, the Company recorded a provision of \$3.2 million, net of tax, related to Floyds' real estate to reflect a bulk sale value and estimated losses during the phase-out period. The Company has received offers to sell Southeastern. Based on these offers, a loss on disposal of \$1.8 million, net of tax, has been recorded. Disposal of these non-core assets is anticipated to be completed in 1996.

Discontinued operations include management's best estimates of the amounts expected to be realized on the sale of these assets. While the estimates are based on current negotiations, the amounts the Company will ultimately realize could differ materially in the near term from the amounts assumed in arriving at the loss on disposal of the discontinued operations.

Summary operating results of discontinued operations, excluding net gains on disposal and estimated loss during the phase-out period, are as follows (in thousands):

	December 31, 1995	December 31, 1994
Revenue	\$ 21,952	\$ 29,902
	=====	=====
Earnings before income taxes	\$ 58	\$ 1,377
Provision for income taxes	20	552

Net income from discontinued operations	----- \$ 38 =====	----- \$ 825 =====
---	-------------------------	--------------------------

The following comprises the net assets of discontinued operations at December 31, 1995 (in thousands)

Receivables, net	\$ 1,432
Inventory	1,047
Property, plant and equipment, net	9,101
Other assets	51
Land held for sale	964
Less:	
Capital leases	2,140
Accounts payables	280
Accrued liabilities and reserve for loss on disposal	3,775
	----- \$ 6,400 =====

(See statement of cash flows for discontinued operations disposed of during 1995).

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

17. QUARTERLY FINANCIAL DATA (Unaudited)

(Dollars in thousands, except earnings per share)

1995(1):	First Quarter	Second Quarter	Third Quarter (2)	Fourth Quarter (3)	Total
Revenue	\$ 34,623 =====	\$ 39,174 =====	\$ 46,642 =====	\$ 54,144 =====	\$ 174,583 =====
Operating income	\$ 4,497 =====	\$ 6,036 =====	\$ 3,696 =====	\$ 3,598 =====	\$ 17,827 =====
Income (loss) from continuing operations	\$ 2,452	\$ 4,447	\$ (7,438)	\$ (2,601)	\$ (3,140)
Income (loss) from discontinued operations including gain (loss) on disposal, net of taxes	1,709 -----	205 -----	1,551 -----	(934) -----	2,531 -----
Net income (loss)	\$ 4,161 =====	\$ 4,652 =====	\$ (5,887) =====	\$ (3,535) =====	\$ (609) =====
Earnings per share:					
Income (loss) from continuing operations	\$ 0.15	\$ 0.28	\$ (0.46)	\$ (0.16)	\$ (0.20)
Income (loss) of discontinued operations	0.11 -----	0.01 -----	0.10 -----	(0.06) -----	0.16 -----
	\$ 0.26 =====	\$ 0.29 =====	\$ (0.36) =====	\$ (0.22) =====	\$ (0.04) =====

(Dollars in Thousands, Except Earnings Per Share)

1994(1):	First Quarter (5)	Second Quarter	Third Quarter	Fourth Quarter (6)	Total (7)
Revenue	\$ 14,350 =====	\$ 27,305 =====	\$ 36,056 =====	\$ 33,583 =====	\$ 111,294 =====
Operating income	1,156 =====	1,915 =====	3,717 =====	3,093 =====	9,881 =====
Income from continuing operations	625	1,109	2,136	1,938	5,808
Income (loss) of discontinued operations	91 -----	474 -----	470 -----	(210) -----	825 -----
Net income	\$ 716 =====	\$ 1,583 =====	\$ 2,606 =====	\$ 1,728 =====	\$ 6,633 =====
Earnings per share:					
Income from continuing operations	\$ 0.04	\$ 0.07	\$ 0.13	\$ 0.12	\$ 0.36
Income (loss) of discontinued operations	0.00	0.03	0.03	(0.01)	0.05

-----	-----	-----	-----	-----
\$ 0.04	\$ 0.10	\$ 0.16	\$ 0.11	\$ 0.41
=====	=====	=====	=====	=====

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

- (1) Results of operations have been reclassified for discontinued operations. (See Note 16.)
- (2) In the third quarter of 1995, the Company recorded a special charge of \$15.4 million to write down its real estate held for sale. (See Note 5.)
- (3) In the fourth quarter of 1995, the Company recorded an additional charge of \$ 7.7 million to write down real estate held for sale and its investment in preferred stock (See Note 5.)
- (4) Earnings per share are computed independently for each of the quarters presented. Therefore, the sum of the quarterly per share data in 1995 does not equal the total computed for the year due to changes in the average number of shares outstanding.
- (5) The first quarter of 1994 has been presented on a pro forma basis to include a provision for income taxes as though the Company had been subject to taxation during the entire quarter.
- (6) In the fourth quarter of 1994, the Company recorded certain adjustments related to other quarters which increased net income by approximately \$207,000, the effect of which on previously recorded quarters was not significant. Also contributing to the increase was a successful settlement of litigation.
- (7) Net income and earnings per share amounts for 1994 have been adjusted to include a provision for income taxes as though the Company had been subject to taxation for the entire year.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, on March 29, 1996.

MasTec, Inc.

(Registrant)
/s/Edwin D. Johnson

Edwin D. Johnson
Senior Vice President - Chief Financial Officer
(Principal Financial and Accounting Officer)

The undersigned directors and officers of MasTec, Inc. hereby constitute and appoint Edwin D. Johnson and Jose M. Sariego and each of them with full power to act without the other and with full power of substitution and resubstitution, our true and lawful attorneys-in-fact with full power to execute in our name and behalf in the capacities indicated below this Annual Report on Form 10-K and any and all amendments thereto and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission and hereby ratify and confirm all that such attorneys-in-fact, or any of them, or their substitutes shall lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities indicated on March 29, 1996.

/s/ Jorge Mas ----- Jorge Mas President and Chief Executive Officer (Principal Executive Officer)	/s/ Samuel C. Hathorn, Jr. ----- Samuel C. Hathorn, Jr. Director
---	---

/s/ Jorge L. Mas ----- Jorge L. Mas Chairman of the Board	/s/ William A. Morse ----- William A. Morse Director
--	---

/s/ Arthur B. Laffer ----- Arthur B. Laffer Director	/s/ Jose S. Sorzano ----- Jose S. Sorzano Director
---	---

/s/ Eliot C. Abbott

Eliot C. Abbott, Director

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1995, 1994 AND 1993

EXHIBIT INDEX

- 3.1 Certificate of Incorporation and By-laws of the Company, filed as Exhibit 3(i) to Company's Registration Statement on Form S-8 (File No. 33-55327), and incorporated by reference herein.
- 4.1 Indenture dated as of November 15, 1980 between the Company and Chemical Bank, filed as Exhibit 4.4 to the Company's Registration Statement on Form S-7 (File No. 2-69549) and incorporated by reference herein.
- 10.1 Certificate of Designations of Series C 7% Preferred Stock of National Beverage Corp., filed as Exhibit 4(c) to the Company's Form 10-K for the fiscal year ended April 30, 1986 and incorporated by reference herein
- 10.2 Stock Purchase Agreement dated June 22, 1994, between MasTec, Inc. and Designed Traffic Installation Co. filed as Exhibit 2 to the Company's Form 8-K dated July 6, 1994 and incorporated by reference herein.
- 10.3 Loan and Security Agreement dated January 29, 1995, between the Company,

and Barclays Business Credit, Inc., filed as Exhibit 10 to the Company's Form 8-K dated February 9, 1995 and incorporated by reference herein.

10.4 Loan Agreement dated July 14, 1995 between the Company and Devono Company Limited, filed as Exhibit 10 to the Company's Form 10-Q for the quarter ended June 30, 1995 and incorporated by referenced herein.

10.5 Amendment to Loan and Security Agreement dated February 29, 1996 between the Company and Fleet Capital Corporation.

10.6 Stock Option Agreement dated March 11, 1994 between the Company and Arthur B. Laffer.

21.1 Subsidiaries of the Company.

23.1 Consent of Coopers & Lybrand L.L.P.

27.1 Financial data schedule

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Exhibit 21

Subsidiaries of the Registrant

Set forth below is a list of the significant subsidiaries of the Company as of December 31, 1995.

Burnup & Sims Communication Services, Inc.
Burnup & Sims ComTec, Inc.
Burnup & Sims Network Designs
Burnup & Sims of California, Inc.
Burnup & Sims of Texas, Inc.*
Burnup & Sims of the Carolinas, Inc.
Burnup & Sims TelCom of Florida, Inc.
Burnup & Sims TSI, Inc.
Church & Tower, Inc.+
Church & Tower Fiber Tel, Inc.
Church & Tower of Florida, Inc.+
Church & Tower of TN, Inc.
Designed Traffic Installation Co., Inc.+
Floyd Theatres, Inc.
LatLink Corporation
MasTec International, Inc.
MasTec Teleport, Inc.
Southeastern Printing Company, Inc.+
Utility Line Maintenance, Inc. @

All jurisdictions of incorporation for the subsidiaries are in Delaware except the following: *Texas, +Florida, @ Georgia. All operating subsidiaries of the Company are 100% owned, with the exception of MasTec Teleport, Inc. which is 80% owned.

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-8 (No.33-55327) of our report dated March 22, 1996, on our audits of the consolidated financial statements of MasTec, Inc. and subsidiaries as of December 31, 1995 and 1994, and for the years ended December 31, 1995, 1994, and 1993, which report is incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 28, 1996

JOINDER AND FIRST AMENDMENT
TO LOAN AND SECURITY AGREEMENT

This Joinder and First Amendment to Loan and Security Agreement ("First Amendment") entered into as of February 29, 1996, by and among FLEET CAPITAL CORPORATION, F/K/A SHAWMUT CAPITAL CORPORATION, SUCCESSOR TO BARCLAYS BUSINESS CREDIT, INC. ("Lender"), a Connecticut corporation with an office at 200 Glastonbury Road, Glastonbury, CT 06033 and MASTEC, INC. ("MASTEC"), A DELAWARE CORPORATION, EACH OTHER ENTITY COMPRISING THE TELECOMMUNICATION GROUP (AS DEFINED IN APPENDIX A TO THE LOAN AGREEMENT); AND SOUTHEASTERN PRINTING COMPANY, INC. ("SOUTHEASTERN PRINTING"), A FLORIDA CORPORATION; (collectively "Borrowers" and singly each is a "Borrower"), the SURETIES (as defined in Appendix A to the Loan Agreement); and UTILITY LINE MAINTENANCE, INC. ("ULM"), A GEORGIA CORPORATION; each with its chief executive office at 8600 N.W. 36th Street, Miami, Florida 33166.

BACKGROUND

A. Borrowers, Sureties and Lender are parties to a certain Loan and Security Agreement dated January 26, 1995 ("Loan Agreement") pursuant to which Lender established certain financing arrangements for the benefit of Borrowers. The Loan Agreement and all instruments, documents and agreements executed in connection therewith, or related thereto are referred to herein collectively as the "Loan Documents".

B. CC-II, Inc. ("CC-II") and Lectro Products, Inc. ("Lectro") were also Borrowers under the Loan Agreement. Prior to the date hereof, MasTec sold all of its right, title and interest in and to CC-II and Lectro; and consequently, neither entity remains a party to the Loan Agreement.

C. MasTec and the shareholders of ULM are parties to a certain Stock Purchase Agreement dated July 1, 1995 ("Stock Purchase Agreement") pursuant to which MasTec acquired all of the issued and outstanding common stock ("Stock") of ULM.

D. In recognition of the benefits and privileges under the Loan Documents, ULM has requested that it be permitted to join into the Loan Documents as if an original signatory thereto and Borrowers, Sureties and Lender have so consented subject to the terms and conditions hereof.

E. In addition, Borrowers have requested that Lender increase the Total Credit Facility and make certain other amendments to the Loan Agreement. Lender has agreed to do so, subject to the terms and conditions set forth below.

NOW THEREFORE, with the foregoing background incorporated by reference, the parties hereto intending to be legally bound, hereby agree as follows:

1. JOINDER.

1.1 Upon the effectiveness of this First Amendment, ULM joins in, assumes, adopts and becomes a Borrower under the Credit Facility and all Loans. All references to Borrower or Borrowers contained in the Loan Documents are hereby deemed, for all purposes to refer to and include ULM as a Borrower and ULM

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hereby agrees to comply with all of the terms and conditions of the Loan Documents as if it were an original signatory thereto.

1.2 Without limiting the generality of the provisions of subparagraph 1.2 above, ULM is thereby liable, on a joint and several basis, along with all other Borrowers and Sureties for all existing and future Loans and other liabilities and obligations incurred at any time by any one or more Borrowers under the Loan Documents, as amended hereby or as may be hereafter amended, modified, supplemented or replaced.

2. AMENDMENTS TO LOAN AND SECURITY AGREEMENT.

2.1 The introductory paragraph of Section 1 to the Loan Agreement is hereby deleted in its entirety and replaced with the following:

Subject to the terms and conditions of, and in reliance upon the representations and warranties made in this Agreement and the other Loan Documents, Lender agrees to make a Total Credit Facility of up to \$40,000,000 available upon Borrowers' request therefor, as follows:

2.2 Section 1.1.1 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

1.1.1 LOANS. As a part of the Total Credit Facility, Lender hereby establishes a subfacility pursuant to which Lender agrees, for so long as no Default or Event of Default exists and subject to the corresponding Borrowing Bases, to make Revolving Credit Loans to, and for the joint and several benefit of, Borrowers from time to time, as requested by Borrowers in the manner set forth in subsection 3.1.1 hereof. Revolving Credit Loans may be made by Lender to the Telecommunication Group up to a maximum principal amount equal to the Telecommunication Group Borrowing Base and Revolving Credit Loans may be made to Southeastern Printing up to a maximum principal amount equal to the Southeastern Printing Borrowing Base. In no event and at no time, however, shall the aggregate amount outstanding of all Revolving Credit Loans exceed the lesser of (a) the aggregate amount of the Borrowing Bases or (b) an amount equal to (i) \$40,000,000 minus (ii) the aggregate amount of all reserves (as provided in Section 1.1.2. below), plus the outstanding LC Amount, plus the aggregate amount outstanding under all Equipment Loans, plus the amount outstanding under the Term Loan and plus the amount outstanding under the Supplemental Term Loan. If (x) the unpaid balance of Revolving Credit Loans made to the Telecommunication Group exceeds the Telecommunication Borrowing Base, or (y) the unpaid balance of Revolving Credit Loans made to Southeastern Printing exceed the Southeastern Printing Borrowing Base, or (z) the unpaid balance of the Revolving Credit Loans exceed any other limitations set forth in this Agreement, then such excess Revolving Credit Loans shall nevertheless constitute Obligations that are due and payable on demand, secured by the Collateral and entitled to all the benefits thereof. Each Borrower is jointly and

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severally liable for all Obligations. All Revolving Credit Loans shall be repayable in accordance with the terms hereof and the Revolving Credit Note.

2.3 Section 1.1.3 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

1.1.3 LETTERS OF CREDIT. As a part of the Total Credit Facility, Lender hereby establishes a subfacility pursuant to which Lender agrees, for so long as no Default or Event of Default exists and if requested by Borrowers, to issue its, or cause to be issued by one of Lender's Affiliates, Letters of Credit for the account of any Borrower, PROVIDED that the LC Amount at any time shall not exceed \$6,000,000 and that reserves will be established against the applicable Borrowing Base availability in the amount equal to the LC Amount dependent upon the Borrower(s) account for which the Letter of Credit is issued. No Letter of Credit may have an expiration date that is after the last day of the Original Term or the then applicable Renewal Term. Any amounts paid by Lender in connection with any Letter of Credit shall be treated as Revolving Credit Loans, shall be secured by all of the Collateral and shall bear interest and be payable at the same rate and in the same manner as Revolving Credit Loans.

2.4 Section 1.2 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

1.2 EQUIPMENT LOANS. As a part of the Total Credit Facility, Lender hereby establishes a subfacility pursuant to which Lender agrees, for so long as no Default or Event of Default exists, to make Loans ("Equipment Loans") to Borrowers from time to time from and after the Closing Date and until the last day of the Original Term to finance Borrowers' purchases of eligible Equipment for use in Borrowers' business. Each Equipment Loan may not exceed (i) 90% of the purchase price of new Equipment being acquired, and (ii) 85% of the purchase price of used Equipment being acquired. The purchase price relating to such Equipment shall be deemed to be the lower of the actual cost of the Equipment or the fair market value of the Equipment as determined by referenced to the "Green Guide" or similar industry publication, net of charges and fees, including, without limitation, freight, taxes and installation costs and all other "soft" costs. Each Equipment Loan shall be secured by all of the Collateral and shall be evidenced by a Master Equipment Note. In conjunction with each Equipment Loan, Borrowers shall deliver to Lender a copy of the invoice relating to the acquisition cost of such Equipment, documentation evidencing delivery and receipt of such Equipment and all documentation necessary to ensure that Lender has a valid, first priority, perfected security interest in such Equipment including UCC-1 financing statements and, if applicable, certificates of title or manufacturers certificate of origin along with all documentation (fully executed) necessary to have Lender's first lien and security interest noted on certificates of

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title relating titled Equipment. The principal amount of all Equipment Loans made hereunder shall not exceed, in the aggregate, \$12,500,000. Each Equipment Loan will be payable commencing January 1 of the year immediately following the year in which such Equipment Loan is made and shall be repaid in equal quarterly installments of principal on the first day of each January, April, July and October of each calendar year based on a four (4) year amortization schedule with payment in full to be made at the earlier to occur of the (a) scheduled final repayment date based on a four year amortization, (b) last day of the Original Term or, if applicable, any Renewal Term, or (c) termination of the Credit Facility as provided for herein.

2.5 Section 1.3 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

1.3 TERM FACILITY.

1.3.1 TERM LOAN. As a part of the Total Credit Facility, Lender hereby establishes a subfacility pursuant to which Lender agrees to make a term loan ("Term Loan") available for the joint and several benefit of Borrowers in an aggregate principal amount outstanding at any time not to exceed \$10,947,416.17 provided, however, that Borrowers shall draw down no less than \$9,500,000 as of the Closing Date. The amount equal to the difference between \$10,947.416.17 and the amount of such initial draw on the Closing Date may be drawn down during the first year of the Original Term and shall be used solely to finance 100% of the acquisition cost of new and used Equipment (net of freight, taxes, installation as to and other "soft costs"). Prior to such event, Borrowers shall deliver to Lender invoices relating to the acquisition of such Equipment, documentation evidencing the delivery and receipt of such Equipment and all documentation necessary to ensure that Lender has a valid, first priority, perfected security interest in such Equipment including UCC-1 financing statements and, if applicable, certificates of title or manufacturers' certificates of origin along with all documentation (fully executed) necessary to have Lender's first lien and security interest noted on the certificates of title relating to titled Equipment. Subject to the limitations

set forth above, and so long as no Event of Default has occurred hereunder, the outstanding balance under the Term Loan may fluctuate from time to time, to be reduced by repayments made by Borrowers, to be increased by future advances which may be made by Lender. Each advance under the Term Loan shall be in an amount equal to at least \$250,000 and shall be repayable quarterly based upon a ten year amortization, in equal quarterly installments of principal on the first day of each January, April, July and October, with the entire amount of such advance due upon the earlier to occur of the (a) scheduled final repayment date based on a ten year amortization, (b) last day of the Original Term or, if applicable, any Renewal Term, or (c) termination of the Credit Facility as provided for herein.

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1.3.2 SUPPLEMENTAL TERM LOAN. As a part of the Total Credit Facility, Lender hereby establishes a subfacility pursuant to which Lender agrees to make a loan in the amount of \$1,052,583.83 ("Supplemental Term Loan") as of the Closing Date. The principal amount of the Supplemental Term Loan shall be due and payable in 25 consecutive monthly installments commencing on March 1, 1995 and continuing on the first day of each month thereafter, comprised of 24 equal payments of \$41,666.67 and a final (25th) installment due on March 1, 1997 equal to the aggregate outstanding principal amount of the Supplemental Term Loan, along with all accrued and unpaid interests, fees, costs and expenses.

2.6 The Loan Agreement is further amended by adding a new Section 1.6 as follows:

1.6 MAXIMUM AMOUNT OUTSTANDING. In no event shall the aggregate amount of all Loans outstanding exceed the amount of the Total Credit Facility.

2.7 Section 2.7 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

2.7 UNUSED LINE FEE. Through May 15, 1996, Borrowers shall pay to Lender a fee equal to one quarter of one percent (1/4%) per annum of the average monthly amount by which the Total Credit Facility exceeds the aggregate outstanding amount of all Loans and the LC Amount. Thereafter, Borrowers shall pay to Lender a fee equal to the corresponding percentage as set forth below, on a per annum basis, of the average monthly amount by which the Total Credit Facility exceeds the aggregate outstanding amount of all Loans and the LC Amount, based on Borrower's EBITDA calculated on a rolling four quarter basis as of the most recent four fiscal quarterly financial statements.

The unused line fee shall be payable monthly in arrears on the first day of each calendar month hereafter.

EBITDA	PER ANNUM PERCENTAGE
-----	-----
Less than \$30,000,000	3/8%
Equal to or greater than \$30,000,000	1/4%

2.8 Section 4.2.3 of the Loan Agreement is hereby deleted in its entirety and replaced with the following:

4.2.3 TERMINATION CHARGES. At the effective date of termination of this Agreement for any reason, Borrowers shall pay to Lender (in addition to the then outstanding principal, accrued interest and other charges owing under the terms of this Agreement and any of the other Loan Documents) as liquidated damages for the loss of the bargain and not as a penalty, an amount equal to the product of (a) the prior 12

months average aggregate outstanding principal balance of the Loans plus the average outstanding face amount of issued and outstanding Letters of Credit TIMES (b) 1% if termination occurs during the 12-month period commencing July 1, 1996; and .5% if termination occurs during the 12 month period commencing July 1, 1997.

2.9 Section 8.2.3 of the Loan Agreement is hereby amended by deleting subsections (vi) and (vii) and replacing them with the following, as well as adding new subsections (viii) and (ix):

(vi) Purchase Money Indebtedness;

(vii) Contingent liabilities arising out of endorsements of checks and other negotiable instruments for deposit or collection in the ordinary course of business;

(viii) Indebtedness of any Borrower or Borrowers in an aggregate amount not to exceed \$10,000,000; and

(ix) Additional Subordinated Debt on terms and conditions reasonably satisfactory to Lender in its discretion, in an aggregate amount not to exceed \$100,000,000.

2.10 USE OF PROCEEDS. Notwithstanding anything to the contrary contained in the Loan Agreement, prior to the occurrence of an Event of Default, Borrowers may utilize the proceeds from the sale of the stock of National Beverage Corporation, currently owned by MasTec, as well as any proceeds received by Borrowers from the sale of certain non-owner occupied real property as set forth on Schedule A hereto, as they may decide in their discretion.

2.11 REFERENCES TO CC-II AND LECTRO. All references to "CC-II", "Lectro", the "Lectro Borrowing Base", contained in the Loan Documents, including without limitation Appendix A to the Loan Agreement, are hereby deleted and CC-II and Lectro shall no longer be Borrowers under the Loan Documents.

3. AMENDMENTS TO APPENDIX A/GENERAL DEFINITIONS.

3.1 The definition of "Aggregate Adjusted Availability" is hereby deleted in its entirety and replaced with the following:

AGGREGATE ADJUSTED AVAILABILITY - an amount equal to the lesser of (a) the aggregate amounts of the Borrowing Bases or (b) \$40,000,000, LESS the sum of (i) the aggregate amount of Loans and the LC Amount as of the date of calculation PLUS (ii) all sums due and owing to trade creditors which remain outstanding beyond normal trade terms or special terms granted by trade creditors, PLUS (iii) any reserves against the Borrowing Bases, PLUS (iv) if applicable, closing payments and expenses.

3.2 The definition of "EBIT" is hereby deleted and substituted in its place is the following:

EBITDA - with respect to any fiscal period, the sum of Borrowers' Consolidated net earnings (or loss) before interest expense, taxes, depreciation, amortization and nonrecurring and noncash gains and losses for said period as determined in accordance with GAAP.

3.3 The definition of Eligible Inventory is hereby amended by deleting the reference to "Lectro" and replacing it with Church & Tower Fiber Tel, Inc. and Designed Traffic

Installation, Inc.

3.4 The definition of "Revolving Credit LIBOR Rate" is hereby deleted in its entirety and replaced with the following:

REVOLVING CREDIT LIBOR RATE - Through May 15, 1996, a per annum rate equal to the Adjusted LIBOR Rate plus 2.0% and thereafter, a per annum rate equal to the Adjusted LIBOR Rate plus the corresponding per annum percentage based on the Borrowers' applicable EBITDA calculated on a rolling four quarter basis as of the most recent four fiscal quarterly financial statements:

	EBITDA -----	PER ANNUM PERCENTAGE -----
1.	Less than \$30,000,000	2.25%
2.	Equal to or greater than \$30,000,000 but less than \$45,000,000	2.0%
3.	Equal to or greater than \$45,000,000 but less than \$55,000,000	1.75%
4.	Equal to or greater than \$55,000,000	1.5%

3.5 The definition of "Southeastern Printing Borrowing Base" is hereby amended by deleting subsection (ii)(b) and replacing it with the following:

(b) the lesser of (i) \$2,500,000 or (ii) 50% of calculated the value of the net amount of Southeastern Printing's Eligible Inventory as of such date calculated at the lower of cost or market value on a first in, first out basis;

3.6 The definition of "Telecommunication Group" is hereby amended by adding Utility Line Maintenance, Inc. as a member of the Telecommunication Group.

3.7 The definition of "Telecommunication Group Borrowing Base" is hereby amended by deleting subsections (ii)(a) and (ii)(b) in their entirety and replacing them with the following:

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(ii) An amount equal to: (a) 85% of the net amount of the Telecommunication Group's Eligible Accounts outstanding at such date (provided however, that the advance rate shall be reduced to 80% if the Borrowers' Dilution Rate with respect to their Eligible Accounts exceeds 7% and provided further that such advance rate may be further reduced in Lender's sole discretion if the Dilution Rate exceeds 12%);

PLUS

(b) the lesser of (i) \$2,500,000 or (ii) 50% of the aggregate calculated value of the net amount of Church & Tower Fiber Tel, Inc.'s and Designed Traffic Installation, Inc.'s Eligible Inventory as of such date calculated at the lower of cost or market value on a first in, first out basis;

MINUS

(c) the aggregate LC amount relating to Letters of Credit issued for members of the Telecommunication Group.

3.8 The definition of "Term LIBOR Rate" is hereby deleted in

its entirety and replaced with the following:

TERM LIBOR RATE - Through May 15, 1996, a per annum rate equal to the Adjusted LIBOR Rate plus 2.25%, and thereafter a per annum rate equal to the Adjusted LIBOR Rate plus the corresponding per annum percentage based on the Borrowers' applicable EBITDA calculated on a rolling four quarter basis as of the most recent four fiscal quarterly financial statements:

	EBITDA -----	PER ANNUM PERCENTAGE -----
1.	Less than \$30,000,000	2.5%
2.	Equal to or greater than \$30,000,000 but less than \$45,000,000	2.25%
3.	Equal to or greater than \$45,000,000 but less than \$55,000,000	2.0%
4.	Equal to or greater than \$55,000,000	1.75%

3.9 The definition of "Total Credit Facility" is hereby deleted in its entirety and replaced with the following:

TOTAL CREDIT FACILITY - \$40,000,000

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4. COLLATERAL. As security for the payment of the Obligations, and satisfaction by Borrowers (including without limitation ULM) of all covenants and undertakings contained in the Loan Agreement and the Loan Documents, ULM hereby assigns and grants to Lender a continuing first Lien on (except with respect to ULM's Property expressly covered by the Liens set forth on Exhibit A hereto) and security interest in, upon and to all of the following, whether now owned or hereafter acquired, created or arising and wherever located ("Collateral"):

- a. Accounts;
- b. Inventory;
- c. Equipment;
- d. General Intangibles;
- e. Fixtures;
- f. Deposit Accounts;
- g. All monies and other Property of any kind now or at any time or times hereafter in the possession or under the control of Lender or a bailee or Affiliate of Lender;
- h. All books and records (including, without limitation, customer lists, credit files, computer programs, print-outs, and other computer materials and records) of ULM pertaining to any of (a) through (g) above; and
- i. All accessions to, substitutions for and all replacements, products and cash and non-cash proceeds of all of the foregoing above, including, without limitation, proceeds of and unearned premiums with respect to insurance policies insuring any of the Collateral.

5. EFFECTIVENESS CONDITIONS. This First Amendment shall be effective and ULM shall be deemed a Borrower under the Loan Agreement and the Loan Documents upon completion of the following

conditions precedent (all documents to be form and satisfactory to Lender and Lender's counsel):

a. Execution of this First Amendment to Loan and Security Agreement.

b. Execution and delivery of the Allonge to Master Equipment Note.

c. Execution and delivery of the Amended and Restated Revolving Credit Note which shall amend and restate, but not extinguish the

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indebtedness evidenced by, that certain Revolving Credit Note from Borrowers dated January 26, 1995.

d. Execution and delivery of the Allonge to Term Note.

e. Execution and delivery of the Allonge to Promissory Note.

f. UCC-1 financing statements to be executed by ULM and filed in all jurisdictions which Lender may deem appropriate.

g. Certified copies of (i) the resolutions of each Borrower, including without limitation, ULM, board of directors authorizing the execution of this First Amendment, the Notes and the Allonges to be issued hereunder, and each document required to be delivered by any section hereof, and (ii) ULM's articles of incorporation and by-laws.

h. Incumbency Certificate for each Borrower, including without limitation ULM, identifying all Authorized Officers with specimen signatures.

i. A written opinion of Borrowers' counsel addressed to Lender.

j. Evidence satisfactory to Lender in its reasonable discretion that the acquisition of the Stock of ULM has been completed strictly in accordance with terms of the Stock Purchase Agreement, a true and correct copy of which is attached hereto as Exhibit "B" and the delivery to Lender of a fully executed Stock Purchase Agreement and all related agreements.

k. All Vehicle Titles (if applicable) owned by ULM and pledged to Lender pursuant to the terms hereof along with all completed documentation necessary to have Lender's first lien noted thereon.

6. CONFIRMATION OF INDEBTEDNESS. Borrowers hereby acknowledge and confirm that as of the close of business on February 20, 1996, they are each, jointly and severally, indebted to Lender, without defense, setoff, claim or counterclaim under the Loan Documents, in the aggregate principal amount of \$35,853,762.46, as well as reimbursement for draws which may hereafter be made on Letters of Credit issued for the benefit of Borrowers, or any of them, in the aggregate face amount of \$3,801,319.92, plus all fees, costs and expenses (including attorney's fees) incurred to date in connection with the Loan Documents.

7. COLLATERAL. Borrowers and Sureties each hereby confirm and agree that all security interests and Liens granted to Lender continue in full force and effect and shall continue to secure the Obligations. All Collateral remains free and clear of any Liens other than Permitted Liens or Liens in favor of Lender. Nothing herein contained is intended to in any impair or limit the validity, priority and extent of Lender's existing security interest in and Liens upon the Collateral.

8. REAFFIRMATION OF SURETIES.

Each Surety, party to that certain Surety Agreement each dated January 26, 1995 in favor of Lender, by execution hereof in its capacity as surety, hereby consents to the provisions of this First Amendment, including without limitation the joinder of ULM and the increase in the Total Credit Facility and acknowledges that the Surety Agreement remains in full force and effect and that it remains liable for all of Borrowers' Obligations to Lender under the Loan Documents, as amended hereby.

9. REPRESENTATIONS AND WARRANTIES.

9.1 Borrowers, including without limitation ULM, represent and warrant that as of the date hereof no Event of Default or Unmatured Event of Default has occurred or is existing under the Loan Documents.

9.2 The execution and delivery by each Borrower, including without limitation ULM, and by each Surety, of this First Amendment and performance by it of the transactions herein contemplated (i) are and will be within its powers, (ii) have been authorized by all necessary corporate action, and (iii) are not and will not be in contravention of any order of any court or other agency of government, of law or any other indenture, agreement or undertaking to which such Borrower or Surety is a party or by which the property of such Borrower or Surety is bound, or be in conflict with, result in a breach of or constitute (with due notice and/or lapse of time) a default under any such indenture, agreement or undertaking or result in the imposition of any lien, charge or encumbrance of any nature on any of the properties of such Borrower or Surety.

9.3 This First Amendment, the Notes referenced in Section 6 hereof, and each other agreement, instrument or document executed and/or delivered in connection herewith, shall be valid, binding and enforceable in accordance with its respective terms.

10. GOVERNING LAW.

This First Amendment shall be governed by, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania.

11. RATIFICATION OF LOAN DOCUMENTS.

Except as expressly provided herein, all terms and conditions of the Loan Documents remain in full force and effect, unless such terms or conditions are no longer applicable by their terms. To the extent the provisions of this First Amendment are expressly inconsistent with the provisions of the Loan Documents, the provisions of this First Amendment shall control.

12. COUNTERPARTS.

This First Amendment may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall constitute one and the same respective agreement.

IN WITNESS WHEREOF, the parties hereto have caused this First Amendment to be executed and delivered as of the day and year first above written.

BORROWERS:

MASTEC, INC.
BURNUP & SIMS OF CALIFORNIA, INC.
BURNUP & SIMS OF THE CAROLINAS, INC.
BURNUP & SIMS COMMUNICATIONS SERVICES, INC.
BURNUP & SIMS COMTEC, INC.
BURNUP & SIMS NETWORK DESIGNS, INC.
BURNUP & SIMS TSI, INC.

BURNUP & SIMS TELECOM OF FLORIDA, INC.
BURNUP & SIMS OF TEXAS, INC.
CHURCH & TOWER, INC.
CHURCH & TOWER FIBER TEL, INC.
CHURCH & TOWER OF FLORIDA, INC.
CHURCH & TOWER OF TN, INC.
DESIGNED TRAFFIC INSTALLATION, INC.
SOUTHEASTERN PRINTING COMPANY, INC.

WITNESS/ATTEST:

By: /s/ Carlos A. Valdes

Title: On Behalf of, and as Vice
President of each of the
Foregoing Borrowers

UTILITY LINE MAINTENANCE, INC.

WITNESS/ATTEST:

By: /s/ Carlos A. Valdes

Title: Vice President

SURETIES:

MASTEC INTERNATIONAL, INC.
MASTEC WIRELESS, INC.
BURNUP & SIMS ENTERPRISES, INC.
BURNUP: SIMS OF MISSISSIPPI, INC.
BURNUP & SIMS COMMUNICATIONS SERVICES OF
FLORIDA, INC.
CAL TECHNICAL SERVICES, INC.
CAPSCAN CABLE COMPANY, INC.
GDSI, INC.
CONSTRUCTION EQUIPMENT SYSTEMS CORPORATION
LATLINK CORP., f/k/a MASTEC EQUIPMENT
COMPANY, INC.
TELINK, INC.

WITNESS/ATTEST:

By: /s/ Carlos A. Valdes

Title: On Behalf of, and as Vice
President of Each of the
Foregoing Sureties

[SIGNATURES CONTINUED ON NEXT PAGE]

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[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

LENDER:

FLEET CAPITAL CORPORATION, f/k/a
SHAWMUT CAPITAL CORPORATION, SUCCESSOR
TO BARCLAYS BUSINESS CREDIT, INC.

By: /s/ Howard Handman

Title: _____

NONINCENTIVE STOCK OPTION AGREEMENT

A Nonincentive Stock Option (the "Option") is hereby granted by MasTec, Inc., a Delaware corporation (the "Company"), to Arthur B. Laffer ("Optionee"), for and with respect to common stock of the Company, \$.10 par value per share (the "Common Stock"), subject to the following terms and conditions:

1. OPTION GRANT. Subject to the provisions set forth herein, the Company hereby grants to Optionee an option to purchase from the Company the number of shares of Common Stock, at the purchase price per share, and on the schedule, all as set forth below. This option shall not be treated as an incentive stock option as defined in Section 422A(b) of the Internal Revenue Code of 1986, as amended.

Number of Shares
Subject to Option: 100,000

Option Price Per Share: \$5.75

Date of Grant: March 11, 1994

Exercise Schedule:

NUMBER OF SHARES SUBJECT TO OPTION	EXERCISE PERIOD	
	COMMENCEMENT DATE	EXPIRATION DATE
20,000	March 11, 1995	March 10, 2004
20,000	March 11, 1996	March 10, 2004
20,000	March 11, 1997	March 10, 2004
20,000	March 11, 1998	March 10, 2004
20,000	March 11, 1999	March 10, 2004

2. GENERAL TERMS AND CONDITIONS OF OPTION.

(a) Except as provided in 2(b) and 2(c) below, the Option shall not be exercisable in whole or in part unless Optionee, at the time Optionee exercises the Option, is, and has been at all times since the date of grant of the option, a member of the Board of Directors of the Company (the "Board").

(b) If Optionee's service as director of the Company is terminated for any reason other than death, permanent disability or retirement, the Option shall expire thirty days after the date of such termination; provided that the Board in its sole discretion, by written notice given to Optionee, may permit Optionee to exercise the option during a period ending on the earlier of 90 days after such termination and the Option's stated expiration date.

If Optionee's service as a director of the Company is terminated by reason of death, permanent disability or retirement, the option shall expire on the earlier of the first anniversary of such termination and the option's stated expiration date. During such periods the Option may be exercised by optionee with respect to the same number of shares of Common Stock, in the same manner, and to the same extent as if optionee had continued as a director

during such period and the option shall be canceled with respect to all remaining shares of Common Stock; provided that in the event Optionee shall die at a time when the option, or a portion thereof, is exercisable by him, the Option shall be exercisable in whole or in part during the applicable period set forth herein by a legatee or legatees of the Option under optionee's will, or by his executors, personal representatives or distributees, with respect to the number of shares of Common Stock which optionee could have purchased hereunder on the date of his death and the option shall be canceled with respect to all remaining shares of Common Stock. Disability shall mean an inability as determined by the Board to perform duties and services as a director of the Company by reason of a medically determinable physical or mental impairment, supported by medical evidence, which can be expected to last for a continuous

period of not less than six months.

In the event any Option is exercised by the executors, administrators, heirs or distributees of the estate of the deceased Optionee, the Company shall be under no obligation to issue Common Stock thereunder unless and until the Company is satisfied that the person or persons exercising the Option are the duly appointed legal representative of the deceased Optionee's estate or the proper legatees or distributees thereof.

(c) Written notice of an election to exercise any portion of the option, specifying the portion thereof being exercised and the exercise date, shall be given by optionee, or his personal representative in the event of optionee's death, (i) by delivering such notice at the principal executive offices of the Company no later than the exercise date, or (ii) by mailing such notice, postage prepaid, addressed to the Secretary of the Company at the principal executive offices of the Company at least three business days prior to the exercise date.

(d) The Option may be exercised only by making payment in full for the shares of Common Stock being acquired thereunder at the time of exercise (including applicable withholding taxes, if any) by check or bank draft, or by tendering to the Company Common Stock shares already owned by the person exercising the option, which may include shares received as the result of a prior exercise of the Option, and having a fair market value equal to the cash exercise price applicable to such Option, or by tendering a combination of cash and Common Stock shares as aforesaid.

(e) In the event the option shall be exercised in whole, this agreement shall be surrendered to the Company for cancellation. In the event the Option shall be exercised in part, or a change in the number or designation of the Common Stock shall be made, this agreement shall be delivered by optionee to the Company for the purpose of making appropriate notation thereon, or of otherwise reflecting, in such manner as the Company shall determine, the partial exercise or the change in the number or designation of the Common Stock.

(f) The Option shall not be exercisable with respect to a fractional share or with respect to the lesser of fifty (50) shares or the full number of shares then subject to the option.

(g) In no event, however, may the Option be exercised (i) prior to the expiration of six months from the date of grant, or (ii) after ten (10) years from the date it was granted.

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3. CHANGE IN CONTROL. (a) Subject to the limitations set forth in Section 2(g), in the event of a change in control of the Company, (i) the Option shall immediately become exercisable in full, and (ii) Optionee shall have the right within one (1) year after such event to exercise the option in full.

(b) For purposes of this Section 3, a "change in control" shall be deemed to have occurred if at any time on or after the date hereof:

- (1) there shall be consummated:
 - i. any consolidation or merger of the Company in which the Company is not the continuing or surviving corporation or pursuant to which any shares of Common Stock are to be converted into cash, securities or other property, provided that the consolidation or merger is not with a corporation which was a wholly owned subsidiary of the Company immediately before the consolidation or merger; or
 - ii. any sale, lease, exchange or other transfer (in one transaction or a series of related transactions) of all, or substantially all, of the

assets of the Company; or

(2) the shareholders of the Company approve any plan or proposal for the liquidation or dissolution of the Company; or

(3) any "person," including a "group" as determined in accordance with Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), becomes the beneficial owner (within the meaning of Rule 13d-3 under the Exchange Act), directly or indirectly, of 33% or more of the combined voting power of the Company's then outstanding Common Stock, provided that such person, immediately before it becomes such 33% or more beneficial owner, is not (i) a wholly-owned subsidiary of the company or (ii) an individual, or a spouse or a child of such individual, that on March 12, 1994, owned greater than 20% of the combined voting power of such Common Stock, or (iii) a trust, foundation or other entity controlled by an individual or individuals described in Section 3(b)(3)(ii); or

(4) individuals who constitute the Board on March 12, 1994 (the "Incumbent Board".) cease for any reason to constitute at least a majority thereof, provided that any person becoming a director subsequent to March 12, 1994, whose election, or nomination for election

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by the Company's shareholders, was approved by a vote of at least three quarters of the directors comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be, for purposes of this clause (4), considered as though such person were a member of the Incumbent Board.

4. TRANSFERRING OF OPTION. The Option may be exercised only by optionee during his lifetime and may not be transferred other than by will or the applicable laws of descent or distribution. The Option shall not otherwise be transferred assigned, pledged or hypothecated for any purpose whatsoever and is not subject, in whole or in part, to execution, attachment, or similar process. Any attempted assignment, transfer, pledge or hypothecation or other disposition of the Option, other than in accordance with the terms set forth herein, shall be void and of no effect.

5. OPTION RIGHTS. Neither the Optionee nor any other person entitled to exercise the Option under the terms hereof shall be, or have any of the rights or privileges of, a shareholder of the Company in respect of any of the shares of Common Stock issuable on exercise of the Option, unless and until the Option has been exercised pursuant to the terms herein and the purchase price for such shares shall have been paid in full.

6. ADJUSTMENT IN THE EVENT OF CHANGE IN STOCK. In the event of changes in the outstanding Common Stock of the Company by reason of stock dividends, reverse split, subdivision, recapitalizations, mergers, consolidations (whether or not the Company is a surviving corporation), split-ups, combinations or exchanges of shares, reorganization or liquidation, an extraordinary dividend payable in cash or property, and the like, the number, class and the price of shares of Common Stock subject to this outstanding option shall be appropriately adjusted by the Board in good faith, whose determination shall be conclusive.

7. ADMINISTRATION OF OPTION. (a) The Option shall be exercised in accordance with such administrative regulations as the Board shall from time to time reasonably adopt.

(b) If at any time the Board shall determine, in its reasonable discretion, that the listing, registration or qualification of shares

upon any national securities exchange or under any state or federal law, or the consent or approval of any governmental regulatory body, is necessary or desirable as a condition of, or in connection with the exercise of this option hereunder, the option may not be exercised in whole or in part unless and until such listing, registration, qualification, consent or approval shall have been effected or obtained, or otherwise provided for, free of any conditions not acceptable to the Board in the exercise of its reasonable judgment.

8. WAIVER OF DIRECTOR'S FEES AND RIGHTS UNDER 1994 STOCK OPTION PLAN FOR NON-EMPLOYEE DIRECTORS. Optionee hereby waives any rights to any fees to which he would otherwise be entitled as a director of the Company and to any options to which he would otherwise be entitled under the Company's 1994 Stock option Plan for Non-Employee Directors for a period of five years commencing from the date hereof.

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9. INVESTMENT REPRESENTATION. The Board may require the Optionee to furnish to the company, prior to the issuance of any shares upon the exercise of all or part of this Option, an agreement in which the Optionee represents that the shares acquired by him upon execution are being acquired for investment and not with a view to the sale or distribution hereof.

10. GOVERNING LAW AND VENUE. The Option, and this agreement shall be construed, administered and governed in all respects under and by the laws of the State of Florida. Any legal action or proceeding arising out of this agreement shall be brought in the courts of the State of Florida or of the United States for the Southern District of Florida.

MASTEC, INC.

By: /s/ Jorge Mas
Jorge Mas,
President

The undersigned hereby accepts the foregoing Option and the terms and conditions hereof.

/S/ ARTHUR B. LAFFER

Arthur B. Laffer

<ARTICLE> 5

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THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE
1995 FORM 10-K AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH 10-K.
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