

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, 1996

Commission file number 0-3797

MASTEC, INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	59-1259279 (I.R.S. Employer Identification No.)
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3155 N.W. 77th Avenue, Miami, FL (Address of principal executive offices)	33122-1205 (Zip Code)
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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
Common Stock, \$.10 Par Value	New York Stock Exchange

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

None

Title of each 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. |_|

The number of shares of Common Stock outstanding as of March 20, 1997 was 25,665,205. 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 New York Stock Exchange on March 20, 1997 was \$389,706,081. 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 1997 Annual Meeting of Stockholders to be held on May 21, 1997, which will be filed with the Commission on or before April 30, 1997, are incorporated by reference into Part III.

Certain statements included in this Annual Report are forward-looking, such as statements regarding the future prospects of the telecommunications construction industry and the Company's growth strategy. These forward-looking statements are based on the Company's current expectations and are subject to a number of risks and uncertainties that could cause actual results in the future to differ significantly from results expressed or implied in any forward-looking statements included in this Annual Report. These risks and uncertainties include, but are not limited to, uncertainties relating to the Company's relationships with key customers and implementation of the Company's growth strategy. These and other risks are detailed in this Annual Report and in other documents filed by the Company with the Securities and Exchange Commission.

1. BUSINESS

General

MasTec, Inc. is one of the world's leading contractors specializing in the build-out of telecommunications infrastructure. The Company's principal business is the design, installation and maintenance of the outside physical plant for telephone and cable television communications systems ("outside plant services"), including the installation of aerial, underground and buried copper, coaxial and fiber optic cable networks and the construction of wireless antenna networks for telecommunications service companies such as local exchange carriers, competitive access providers, cable television operators, long-distance carriers, and wireless phone companies. The Company also installs central office switching equipment and designs, installs and maintains integrated voice, data and video local and wide area networks inside buildings ("inside wiring"). The Company believes it is the largest independent contractor providing telecommunications infrastructure construction services in the United States and Spain and one of the largest in Argentina, Chile and Peru.

The Company is able to provide a full range of infrastructure services to its telecommunications company customers. Domestically, the Company provides outside plant services to local exchange carriers such as BellSouth Telecommunications, Inc., U.S. West Communications, Inc., SBC Communications, Inc., United Telephone of Florida, Inc. (a subsidiary of Sprint Corporation) and GTE Corp.. MasTec currently has 20 exclusive, multi-year, multi-million dollar service contracts ("master contracts") with regional Bell operating companies ("RBOCs") and other local exchange carriers to provide all of their outside plant requirements up to a specific dollar amount per job and within certain geographic areas. Internationally, the Company provides outside plant services, turn-key switching system installation and inside wiring services primarily to Telefonica de Espana, S.A. ("Telefonica") under multi-year contracts similar to those in the U.S.

The Company also provides outside plant services to competitive access providers such as MFS Communications Company, Inc., Sprint Metro and MCI Metro (the local telephone subsidiaries of Sprint Corporation and MCI Communications Corporation), cable television operators such as Time Warner, Inc., Continental Cablevision, Inc. and Media One, long distance carriers such as MCI and Sprint, and wireless communications providers such as PCS Primeco and Sprint Spectrum, L.P. The Company provides inside wiring services to large corporate customers such as First Union National Bank, IBM, Smith Barney, Inc., and Dean Witter Reynolds, Inc., and to universities and government agencies. The Company also provides design, installation and maintenance services (similar to those provided to telecommunications companies) to public utilities and the traffic control and highway safety industry.

Company strategy

The telecommunications industry is undergoing fundamental changes in most markets throughout the world. The Telecommunications Act of 1996 in the United States, agreements among participating countries in the European Union and privatization and regulatory initiatives in Latin America are removing barriers to competition. In addition, growing customer demand for enhanced voice, video and data telecommunications have increased bandwidth requirements and highlighted network bandwidth limitations in many markets.

The Company believes that these industry trends will create increased demand for telecommunications infrastructure services in four ways:

- o Increased customer demand for bandwidth will compel telecommunications service providers to continue upgrading existing networks to broadband technologies such as fiber optic cable.

- o Competitive pressures will force existing service providers to attempt to reduce their cost structures, leading to increased outsourcing of outside plant services to lower cost independent contractors.

- o New service providers entering previously monopolistic markets will ultimately require their own infrastructure.

- o Deployment of more powerful multimedia computers in business will increase the demand for inside wiring services to install communications networks with greater bandwidth capacity.

The Company believes that it is well positioned to capitalize on these trends and is pursuing a strategy of growth in its core business through internal expansion and strategic acquisitions. The Company believes that the volume of business generated under existing contracts will increase as a result of the increase in demand for its services. The Company intends to continue

providing services to its existing customers under its present contracts and, if possible, to extend the exclusivity period under these agreements beyond their current terms. In addition, the Company believes that its reputation for quality and reliability, operating efficiency, financial strength, technical expertise, presence in key geographic areas and ability to achieve economies of scale provide competitive advantages in bidding for and winning new contracts for telecommunications infrastructure projects. The Company intends to pursue aggressively the larger, more technically complex infrastructure projects where its competitive advantages will have the greatest impact.

The Company also plans to continue to make strategic acquisitions. In April 1996, MasTec acquired Sistemas e Instalaciones de Telecomunicacion, S.A. ("Sintel"), the largest telecommunications infrastructure contractor in Spain, from Telefonica. This acquisition has positioned the Company to take advantage of increased competition anticipated in Europe and the rapid upgrading of telecommunications services expected in Latin America. In the United States, the Company is continuing to pursue opportunities to acquire selected operators that will enable the Company to expand its geographic coverage and customer base without the risks and expense of start-up operations and to acquire additional management talent for future growth. Since January 1996, the Company has completed five domestic acquisitions.

Services, customers and markets

The Company's principal domestic and international business consists of outside plant and inside wiring services for telecommunications providers and private businesses. Outside plant services consist of all of the services necessary to design, install and maintain the physical facilities used to provide telecommunications services from the provider's central office, switching center or cable head-end to the ultimate consumer's home or business. These services include the placing and splicing of cable, the excavation of trenches in which to place the cable, the placing of related structures such as poles, anchors, conduits, manholes, cabinets and closures, the placing of drop lines from the main transmission lines to the customer's home or business, and the maintenance and removal of these structures.

Inside wiring services consist of designing, installing and maintaining local and wide area networks linking the customers' voice communications networks at multiple locations with their data and video services. This type of work is similar to outside plant construction; both involve the placing and splicing of copper, coaxial and fiber optic cables. Inside wiring is less capital intensive than outside plant construction but requires a more technically proficient work force. The Company also provides turn-key design, installation and maintenance services to the wireless communications industry, including site preparation, design and construction of communications towers, placement of antennas and associated wiring, and construction of equipment huts.

Services rendered to the Company's local exchange customers are performed primarily under master contracts. Each master contract contemplates hundreds of individual construction and maintenance projects valued generally at less than \$100,000 each. These contracts typically are awarded on a competitive bid basis. The Company also has contracts similar to master contracts with certain other customers. In addition to services rendered pursuant to master contracts, the Company provides construction services on individual projects awarded on a competitive bid basis. While such projects are generally substantially larger than the individual projects covered by master contracts, they typically require the provision of services similar to those rendered under master contracts.

Domestically, the Company is capable of providing telecommunications construction services nationwide, although its principal current operations are in the southeastern and southwestern United States.

Internationally, the Company is the principal provider of telecommunications infrastructure services to Telefonica and its affiliates in Spain, and one of the principal providers of these services to Telefonica's affiliates in Argentina, Chile and Peru. Telefonica is currently the sole provider of local and long distance telephony in Spain. Through its affiliate, Telefonica Internacional, S.A., Telefonica owns interests in the telephone companies of Argentina, Chile and Peru.

The Company provides both outside plant and inside wiring services to Telefonica and its affiliates. These services are substantially similar to those provided by the Company in the United States. The Company also installs Telefonica telephone equipment in residences and businesses. Outside plant services are provided under multi-year, multi-million dollar contracts similar to master contracts in the United States. Telefonica also awards the Company individual construction projects through a competitive bidding process.

The Company provides infrastructure construction services to public utilities and to the traffic control and highway safety industry, which services are substantially similar to the outside plant services provided to telecommunications companies.

The Company derives a substantial portion of its revenue from the provision of telecommunication infrastructure services to Telefonica and to BellSouth. See Note 11 to the Consolidated Financial Statements.

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 Company's telecommunications construction business is subject to some seasonality at different times of the year, primarily in the first quarter. The Company has experienced a reduction in revenue in some years during January and February relative to other months. This reduction is due mostly to delays by

the Company's telecommunications customers, particularly Telefonica and the RBOCs, in gearing up construction projects at the beginning of their budgetary years and to severe winter weather conditions. The Company also has experienced some reduction in domestic revenue in December of some years as a result of reduced expenditures and work order requests by RBOCs at the end of their budgetary years.

Competition

The Company competes with other independent contractors 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 believes it is the largest provider of telecommunications infrastructure services to the telecommunications industry in the United States and Spain, neither the Company nor any of its competitors can be considered dominant in the industry on a national or international 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.

Employees

The Company has approximately 5,800 employees, 3,000 of whom are employed in domestic operations and 2,800 of whom are employed by Sintel. Substantially all of the Sintel employees are unionized. The Company believes that its relations with its domestic employees are good. Sintel has suffered strikes and work stoppages in the past, none of which has had a material adverse effect on Sintel. Sintel currently is negotiating a new labor agreement with its unionized employees.

2. PROPERTIES

The Company's corporate headquarters are located in a 60,000 square foot building in Miami, Florida owned by the Company. The Company also has regional offices located in Tampa, Atlanta, Austin and Charlotte. The Company also leases executive offices in Madrid, Spain.

The Company's principal operations are conducted from field offices, equipment yards and temporary storage locations, none of which the Company believes is material to its operations because 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.

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.

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 in Delaware state court against the Company, the then-members of its Board of Directors and National Beverage Corporation ("NBC"), the Company's then-largest stockholder. The complaint alleges, among other things, that the Company's Board of Directors and NBC breached their respective fiduciary duties in approving certain transactions, including the distribution in 1989 to the Company's stockholders of all of the common stock of NBC owned by the Company and the exchange by NBC of shares of common stock of the Company for certain indebtedness of NBC to the Company. 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 the Company, the then-members of its Board of Directors, Church & Tower, Inc. and Jorge L. Mas, Jorge Mas and Juan Carlos Mas, the principal shareholders of Church & Tower, Inc. The 1993 lawsuit alleges, among other things, that the Company's Board of Directors and NBC breached their respective fiduciary duties by approving the terms of the acquisition of the Company by the Mas family, and that Church & Tower, Inc. and its principal shareholders had knowledge of the fiduciary duties owed by NBC and the Company's Board of Directors and knowingly and substantially participated in the breach of these duties. The lawsuit also claims derivatively that each member of the Company's Board of Directors engaged in mismanagement, waste and breach of fiduciary duties in managing the Company's affairs prior to the acquisition by the Mas family.

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 in November 1995 by BellSouth arising from certain work performed by a subcontractor of the Company from 1991 to 1993. The amount claimed against the Company in this lawsuit approximates \$800,000. The Company has filed a counterclaim against BellSouth for unpaid invoices related to this work. The Company believes that the allegations asserted by BellSouth in the lawsuit are without merit and intends to defend the lawsuit vigorously.

All of the claims asserted in the lawsuits described above, with the exception of the second lawsuit filed by Albert Kahn, arise from activities undertaken prior to March 1994, the date of the consummation of the acquisition

of the Company by the Mas Family.

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 position or results of operations.

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	57	Chairman of the Board of Directors
Jorge Mas	34	President and Chief Executive Officer
Ismael Perera	48	Senior Vice President-Operations
Edwin D. Johnson	40	Senior Vice President-Chief Financial Officer
Ubiratan Simoes Rezende	49	Senior Vice President-International Operations
Carlos A. Valdes	33	Senior Vice President-Business Development
Jose M. Sariego	42	Senior Vice President-General Counsel
Carmen M. Sabater	32	Corporate Controller
Nancy J. Damon	47	Corporate Secretary

Jorge L. Mas has been Chairman of the Board of Directors of the Company since March 1994. Mr. Mas has been the President and Chief Executive Officer of Church & Tower of Florida, Inc., one of the Company's principal operating subsidiaries, since 1969. Mr. Mas serves on the Board of Directors of First Union National Bank of Florida, N.A.

Jorge Mas has been President and Chief Executive Officer of the Company since March 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. In addition, Mr. Mas is the Chairman of the Board of Directors of Neff Corporation, Atlantic Real Estate Holding Corp., U.S. Development Corp. and Santos Capital, Inc. (all private companies 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 been Senior Vice President - Operations of the Company since March 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 from 1985 to 1993.

Edwin D. Johnson has been Senior Vice President - Chief Financial Officer of the Company since March 1996. During the 10 years prior to joining the Company, 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 during the final three years of his employment with Attwoods.

Ubiratan Simoes Rezende has been Senior Vice President - International Operations of the Company since 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 been Senior Vice President - Business Development since March 1996. Prior to that time, Mr. Valdes was Senior Vice President - Finance of the Company from March 1994 to March 1996 and Chief Financial Officer of Church & Tower, Inc. from 1991 to 1994.

Jose M. Sariego has been Senior Vice President - General Counsel since September 1995. Prior to joining the Company, Mr. Sariego 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. Sariego was a partner in the Miami office of Kelley Drye & Warren, an international law firm.

Carmen M. Sabater has been Corporate Controller 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 been Corporate Secretary since March 1994. Prior to that time, Ms. Damon served as a paralegal at the Company from February 1990 until March 1994.

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

The Company's Common Stock currently is listed on the New York Stock Exchange under the symbol MTZ. Prior to February 14, 1997, the Common Stock was listed on the Nasdaq National Market under the symbol MASX. The high and low closing prices of the Common Stock for each quarter of the last two fiscal years, as reported by Nasdaq, are set forth below:

	1996		1995	
	High	Low	High	Low
First Quarter	\$ 12 5/8	\$ 9 1/2	\$ 13 1/2	\$ 10 1/8
Second Quarter	\$ 35 3/4	\$ 11 3/8	\$ 13 1/8	\$ 9 3/4
Third Quarter	\$ 38 3/8	\$ 21 1/2	\$ 13 1/8	\$ 10
Fourth Quarter	\$ 57 3/4	\$ 32 5/8	\$ 13 1/4	\$ 9 1/8

The above quotations reflect interdealer prices, without retail mark up, mark down or commission, and may not necessarily represent actual transactions. The Company's Board of Directors declared a three-for-two stock split in the form of a stock dividend for stockholders of record on February 3, 1997 payable on February 28, 1997. The prices set forth in the preceding table have not been adjusted for the stock split. The Company did not declare any cash dividends for the years ended December 31, 1996 and 1995. See Note 6 to the Consolidated Financial Statements.

At March 20 1997, there were approximately 4,800 stockholders of record of the Common Stock.

6. SELECTED FINANCIAL DATA

The following table presents selected consolidated financial information of the Company and selected combined financial information of Church & Tower, Inc. and Church & Tower of Florida, Inc. ("Church & Tower") 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, 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,
(In thousands, except per share amounts)

	1996 (a)	1995	1994 (b)	1993 (c)	1992 (c)
Income statement data:					
Revenue	\$ 472,800	\$ 174,583	\$ 111,294	\$ 44,683	\$ 34,136
Costs of revenue	352,329	130,762	83,952	28,729	22,163
Depreciation and amortization	12,000	6,913	4,439	609	371
General and administrative expenses	58,529	19,081	13,022	9,871	3,289
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Operating income	49,942	17,827	9,881	5,474	8,313
Interest expense (d)	11,434	4,954	3,587	133	33
Interest and dividend income (e)	3,246	3,349	1,469	315	207
Special charges-real estate and investment write-downs	0	23,086	0	0	0
Other income (expense), net	950	2,028	1,009	(81)	209
Equity (losses) in earnings of unconsolidated companies and minority interest	3,133	(139)	247	1,177	(416)
Provision (benefit) for income taxes (f)	15,661	(1,835)	3,211	2,539	3,113
	-----	-----	-----	-----	-----
Income (loss) from continuing operations (f)	\$ 30,176	\$ (3,140)	\$ 5,808	\$ 4,213	\$ 5,167
	=====	=====	=====	=====	=====
Weighted average shares outstanding (h)	25,128	24,069	24,116	15,375 (g)	15,375 (g)
Income (loss) per share from continuing operations (h)	\$ 1.20	\$ (0.13)	\$ 0.24	\$ 0.27	\$ 0.34
Balance sheet data:					
Property and equipment, net	\$ 59,602	\$ 44,571	\$ 40,102	\$ 4,632	\$ 3,656
Total assets	483,018	170,163	142,452	21,325	23,443
Total long-term debt	117,157	44,226	35,956	3,579	855
Stockholders' equity	103,504	50,504	50,874	10,943 (i)	15,690

(a) Includes the results of operations of Sintel for the eight months ended December 31, 1996. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Overview."

(b) Includes the results of Church & Tower for the full year 1994, the results of Burnup & Sims, Inc. from March 11, 1994 through the end of 1994, and the results of Designed Traffic Installation Co., Inc. from June 22, 1994 through the end of 1994. See "Management's Discussion and Analysis of Financial Condition and Results of Operations--Overview."

(c) Includes the results and financial condition of Church & Tower only.

(d) Includes interest due to stockholders from outstanding notes amounting to \$135,000 and \$223,000 for the years ended December 31, 1995 and 1994, respectively.

(e) Includes interest accrued from notes from stockholders amounting to \$182,000, \$289,000 and \$304,000 for the years ended December 31, 1996, 1995 and 1994, respectively.

(f) Church & Tower was not subject to income taxes because it was an S corporation and, as a consequence, income from continuing operations for 1992 through 1994 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 Church & Tower upon acquisition of the Company and not the outstanding shares of common stock of Church & Tower.

(h) Weighted average shares and earnings per share amounts have been adjusted to reflect the three-for-two stock split declared in 1997.

(i) Distributions of \$11.5 million were made to the shareholders of Church & Tower representing subchapter S earnings.

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

Overview

MasTec is one of the world's leading contractors specializing in the build-out of telecommunications and related infrastructure. The Company's

principal business consists of the design, installation and maintenance of the outside physical plant for telephone and cable television communications systems and of integrated voice, data and video local and wide area networks inside buildings, and the installation of central office equipment. The Company also provides infrastructure services to public utilities and the traffic control and highway safety industry.

The Company was formed through the combination of Church & Tower and Burnup & Sims Inc. ("Burnup & Sims") two established names in the U.S. telecommunications construction services industry. On March 11, 1994, the shareholders of Church & Tower acquired 65% of the outstanding common stock of Burnup & Sims in a reverse acquisition (the "Burnup Acquisition"). Following the change in control, the senior management of Burnup & Sims was replaced by Church & Tower management and the name of Burnup & Sims was changed to "MasTec, Inc." Church & Tower is considered the predecessor company to MasTec and, accordingly, the results of Burnup & Sims subsequent to March 11, 1994 are included in the results of the Company.

During the three fiscal years prior to the acquisition, Burnup & Sims incurred increasing net losses culminating in a net loss of \$9.3 million for fiscal 1993. Following the Burnup Acquisition, the Company implemented a number of strategic initiatives to improve operating efficiencies, including the elimination of duplicative facilities, consolidation of subsidiaries, the restructuring of certain unprofitable contracts and the implementation of tighter control over bidding procedures and purchasing. As a result of these initiatives, Burnup & Sims' operations made a positive contribution to the Company's operating profit in 1994.

Since the Burnup Acquisition, the Company has followed a two-pronged strategy to expand its core telecommunications infrastructure construction business through the aggressive pursuit of new contracts and through acquisitions. As a result, the Company's revenue has increased from \$111.3 million in 1994 to \$472.8 million in 1996. Beginning in 1995, the Company began a concurrent program of divesting itself of non-core activities and investments acquired through the Burnup Acquisition (see "Discontinued Operations" and "Special Charges-Real Estate and Investment Write Downs").

In April 1996, the Company purchased Sintel, a company engaged in telecommunications infrastructure construction services in Spain, Argentina, Chile and Peru, from Telefonica. The Sintel acquisition gave the Company a significant international presence and more than doubled the size of the Company in terms of revenue and number of employees. In Argentina, Chile and Peru, the Company operates through unconsolidated joint ventures in which it holds interests ranging from 38% to 50%. See Notes 2 and 10 to the Consolidated Financial Statements for pro forma financial information and geographic information, respectively.

Following losses in 1993 and 1994, Sintel's current management implemented a cost reduction program to restore Sintel to profitability. Under the program, Sintel (a) reorganized its corporate structure from five to two divisions, (b) consolidated its offices and reduced management personnel, (c) consolidated its field operations and reduced the number of its occupied buildings, (d) instituted procedures to improve billing and collections as well as the management of its accounts payable, and (e) reduced general expenses. In addition, Sintel restructured its workforce by laying off approximately 500 full time workers and reassigning other workers to more profitable operations.

Sintel is continuing its cost reduction program under the Company's ownership. As a result of this program, Sintel's operating margin has improved from 7.5% to 10.8% of revenue (excluding special charges) for 1995 and 1996, respectively. Included in the Company's results for 1996 are the results of operations of Sintel from May 1, 1996 through December 31, 1996.

Discontinued operations

In the third quarter of 1995, the Company adopted a plan to dispose of certain non-core businesses acquired in the Burnup Acquisition. See Note 14 to the Consolidated Financial Statements. The general products segment included the operations of a printing company, a theatre chain and an uninterrupted power supply assembler. Based on the estimated net realizable value of these assets, a loss on disposition of approximately \$6.4 million, net of tax, relating to the remaining discontinued operations was recorded in 1995. During 1995, the Company sold the assets of the theatre chain and the assembler. The two transactions netted a gain of \$7.4 million after tax. The remaining theater operations have been closed and are currently being marketed for sale for the underlying real estate value. The Company sold the printing company in January 1997 for its carrying value. Net assets of discontinued operations at December 31, 1996 and 1995, are reflected in other current assets in the consolidated balance sheet.

Special charges-real estate and investment write downs

In 1995, the Company decided to accelerate the pace of its disposal of non-core real estate and other investments. As a result of this decision, the Company recorded special charges totaling \$23.1 million to reflect the net realizable value of these assets based on offers received. During 1996, the Company received \$9.1 million in proceeds from the sale of certain of these assets.

Results of operations

Revenue is generated primarily from telecommunications and related infrastructure services. Infrastructure services are provided to telephone companies, public utilities, CATV operators, other telecommunications providers, governmental agencies and private businesses.

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 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, 1996, 1995 and 1994:

	1996	1995	1994(1)
Revenue	100.0 %	100.0 %	100.0 %
Costs of revenue	74.5%	74.9 %	75.4 %
Depreciation and amortization	2.5%	4.0 %	4.0 %
General and administrative expenses	12.4%	10.9 %	11.7 %
Operating margin	10.6%	10.2%	8.9%
Interest expense	2.4%	2.8 %	3.2 %
Interest and dividend income and other income, net, equity in unconsolidated companies and minority interest	1.6%	3.0 %	2.4 %
Special charge-real estate and investments write-downs	0.0%	13.2 %	0.0 %
Income (loss) from continuing operations (1)	6.4%	(1.8)%	5.2 %

(1) Income from continuing operations for 1994 as a percentage of revenue has been adjusted to reflect a tax provision as though the Company had been subject to taxation for the entire year.

Year Ended December 31, 1996 Compared to Year Ended December 31, 1995

The Company experienced dramatic growth during the year. Revenue increased 171% from \$174.6 million in 1995 to \$472.8 million in 1996 while operating income increased 180% from \$17.8 million to \$49.9 million. A significant portion of this growth is a direct result of the acquisition of Sintel, which contributed \$188.2 million to revenue and \$19.7 million to operating income for the eight months of 1996 during which the Company owned Sintel. Domestic operations, which accounted for substantially all of 1995 results, grew 63% in revenue to \$284.6 million in 1996 and contributed \$30.2 million to operating income.

Although the operating margin of domestic and international operations are approximately the same, cost components as a percentage of revenue differ. Direct costs for domestic operations were 76.2% of domestic revenues in 1996 while direct costs for international operations were only 72.0% of international revenues. Although the resulting consolidated gross margin percentage of 25.5% was an improvement over the 1995 gross margin of 25.1%, domestic gross margins declined to 23.8% primarily due to additional start up and expansion costs relating to the rapid growth in revenues.

Depreciation and amortization costs are 3.5% of domestic revenue, down from 4.0% in 1995, and 1.1% of international revenue as international activities are less capital intensive. General and administrative expenses are 9.7% of domestic revenues, down from 10.9% in 1995, and 16.5% of international revenue. General and administrative expenses as a percentage of domestic revenue have declined as the growth in revenue has allowed overhead expenses to be spread over a broader base. The decrease in domestic gross margin in 1996 was offset by the decrease in depreciation and amortization and general and administrative expenses to produce an improved domestic operating margin of 10.6% as compared to 10.2% in 1995.

Interest expense increased from \$5.0 million in 1995 to \$11.4 million in 1996. Included in interest expense for the year ended December 31, 1996 is \$3.4 million of interest expense incurred by the international operations to fund its working capital needs. Interest expense also increased due to new borrowings used for acquisitions, for equipment purchases and to make investments in unconsolidated companies. Partially offsetting the increase was the conversion of the Company's 12% Subordinated Convertible Debentures (the "Debentures") to Common Stock on June 30, 1996.

Interest and dividend income, other income, net, equity in earnings (losses) of unconsolidated companies and minority interest increased from \$4.9 million in 1995 to \$7.3 million in 1996 as a result of equity in earnings of unconsolidated companies, primarily those acquired as part of the Sintel acquisition, and interest income accrued on a note receivable. The increase from 1995 to 1996 was partially offset by the sale of a preferred stock investment, which reduced dividend income in the 1996 period.

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

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 Burnup Acquisition.

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 Burnup Acquisition.

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 Burnup Acquisition and an increase in capital expenditures resulting from expansion into new contract areas.

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 Burnup 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.

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.

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. 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 "Special charges real-estate and investment write-downs" for a discussion of the special charges for the write-down of certain real estate and other assets of the Company.

Liquidity and capital resources

The Company's balance sheet as of December 31, 1996, reflects the impact of the Sintel Acquisition, the conversion of the Debentures to Common Stock and the issuance of 198,000 shares of Common Stock for an acquisition. See Notes 2 and 6 to the Consolidated Financial Statements.

The Company's primary source of liquidity has been cash flow from operating activities, external sources of financing, and the proceeds from the sale of non-core assets. During the year ended December 31, 1996, \$37.4 million was generated from operations compared to \$5.6 million for 1995, primarily due to higher earnings. Also, during the year ended December 31, 1996, the Company invested \$6.2 million in acquisitions and received \$9.1 million from the sale of non-core assets. Cash paid for capital expenditures was \$7.1 million and an additional \$8.6 million of capital expenditures were financed. The Company used its excess cash to repay debt, principally under its revolving credit facility with a wholly owned finance subsidiary of Telefonica and debentures Sintel had outstanding as of April 30, 1996. See Note 6 to the Consolidated Financial Statements.

As of December 31, 1996, working capital was approximately \$151.8 million compared to working capital of approximately \$44.6 million at December 31, 1995. The significant increase in working capital is primarily attributable to the acquisition of Sintel. Included in working capital at December 31, 1996 are the net assets of discontinued operations, notes receivable (see Note 4 to the Consolidated Financial Statements) and real estate held for sale. Proceeds from the sale or repayment of these assets will be used for general corporate purposes including furthering the Company's growth strategy.

During 1996, the Company completed three acquisitions and increased its investment in an unconsolidated company, as detailed in Note 2 to the Consolidated Financial Statements. The combined consideration for these four transactions amounted to approximately \$58.9 million plus certain ownership interest in other unconsolidated companies and the assumption of debt. The purchase price consisted of approximately \$7.0 million in cash payment and \$40.9 million in seller financing, and Common Stock of \$11.0 million.

The Company continues to pursue a strategy of growth through internal expansion and through acquisitions. The Company anticipates that this growth as well as operating cash requirements, capital expenditures and debt service will be funded from cash flow generated by operations and external sources of financing. The success of the Company's growth strategy will be dependent in part on the Company obtaining additional capital. Although the Company believes that additional capital will be obtained, there can be no assurance that the Company will be able to obtain capital on satisfactory terms for this purpose. The Company also anticipates that certain of its non-core assets will be converted into cash within the next twelve months.

The Company conducts business in several foreign currencies, which are subject to fluctuations in the exchange rate relative to the U.S. dollar. The Company does not enter into foreign exchange contracts; however, as a means of hedging its balance sheet currency risk, the Company attempts to balance its foreign currency denominated assets and liabilities. There can be no assurance that a balance can be maintained. In addition, the Company's results of operations from foreign activities are translated into U.S. dollars at the average prevailing rates of exchange during the period reported, which average rates may differ from the actual rates of exchange in effect at the time of the actual conversion into U.S. dollars. The Company currently has no plans to repatriate significant earnings from its international operations.

The Company's current and future operations and investments in certain foreign countries are generally subject to the risks of political, economic or social instability, including the possibility of expropriation, confiscatory taxation, hyper-inflation or other adverse regulatory or legislative developments, or limitations on the repatriation of investment income, capital and other assets. The Company cannot predict whether any of such factors will occur in the future or the extent to which such factors would have a material adverse effect on the Company's international operations.

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. In Spain, union contracts historically have called for increases in labor rates based on the rate of inflation, which was less than 3.0% for 1996. 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 and does not expect the costs of completing this process to be significant.

8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

See index to Consolidated Financial Statements.

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

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

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 1997 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 under the caption "Executive Officers of the Registrant" in reliance upon General Instruction G to Form 10-K and Instruction 3 of Item 401(b) of Regulation S-K.

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.

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.

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.

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

	Page Number
	Report of Independent Accountants F-1
(a)(i)	Consolidated Financial Statements
	Statements of Income for the three years ended December 31, 1996 F-2
	Balance Sheets at December 31, 1996 and 1995 F-4
	Statements of Stockholders' Equity for the three years ended December 31, 1996 F-5
	Statements of Cash Flows for the three years ended December 31, 1996 F-6
	Notes to Consolidated Financial Statements F-13
(b)	Report on Form 8-K
	The Company did not file any reports on Form 8-K during the three months ended December 31, 1996.
(c)	Index to Exhibits E-1

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 as of December 31, 1996 and 1995, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the three years in the period ended December 31, 1996. 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, 1996 and 1995, and the consolidated results of their operations and their cash flows for each of the three years in the period ended December 31, 1996, in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

Miami, Florida
February 28, 1997

MASTEC, INC.
CONSOLIDATED STATEMENTS OF INCOME
for the three years ended December 31, 1996
(In thousands except per share amounts)

	1996	1995	1994
Revenue	\$ 472,800	\$ 174,583	\$ 111,294
Costs of revenue	352,329	130,762	83,952
Depreciation and amortization	12,000	6,913	4,439
General and administrative expenses	58,529	19,081	13,022
	-----	-----	-----
Operating income	49,942	17,827	9,881
Interest expense			
Borrowings	11,434	4,819	3,364
Notes to stockholders	0	135	223
Interest and dividend income	3,064	3,060	1,165
Interest on notes from stockholders	182	289	304
Special charges-real estate and investment write-downs	0	23,086	0
Other income, net	950	2,028	1,009
	-----	-----	-----
Income (loss) from continuing operations before equity in earnings (losses) of unconsolidated companies, provision (benefit) for income taxes and minority interest	42,704	(4,836)	8,772
Equity (losses) in earnings of unconsolidated companies	3,040	(300)	247
Provision (benefit) for income taxes	15,661	(1,835)	2,325
Minority interest	(93)	(161)	0
	-----	-----	-----
Income (loss) from continuing operations	30,176	(3,140)	6,694
Discontinued operations (Note 15):			
(Loss) income from discontinued operations, net of applicable income taxes	(177)	38	825
Net gain on disposal of discontinued operations net of a provision of \$6,405 for 1995 to write down related assets to realizable values and including operating losses during phase-out period, net of applicable income taxes	66	2,493	0
	-----	-----	-----
Net income (loss)	\$ 30,065	\$ (609)	\$ 7,519
	=====	=====	=====

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

MASTEC, INC.
CONSOLIDATED STATEMENTS OF INCOME
for the three years ended December 31, 1996
(In thousands except per share amounts)

	1996	1995	1994
Weighted average shares outstanding (2)	25,128	24,069	24,116
Earnings (loss) per share (1)(2):			
Continuing operations	\$ 1.20	\$ (0.13)	\$ 0.24
Discontinued operations	.00	0.10	0.03
	-----	-----	-----
	\$ 1.20	\$ (0.03)	\$ 0.27
	=====	=====	=====

(1) Net income and earnings per share amounts for 1994 have been adjusted to include a provision for income taxes of \$3,763 as though the Company had been subject to taxation for the entire year resulting in a net income on a pro forma basis of \$6,633.

(2) Amounts have been adjusted to reflect the three-for-two stock split declared subsequent to December 31, 1996.

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

MASTEC, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands)
As of December 31, 1996 and 1995

	1996	1995
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,754	\$ 1,076
Accounts receivable-net and unbilled revenue	306,022	45,922
Notes receivable	29,549	27,505
Inventories	4,837	2,819
Other current assets	35,382	27,878
Total current assets	380,544	105,200
Property and equipment-at cost	80,119	55,806
Accumulated depreciation	(20,517)	(11,235)
Property-net	59,602	44,571
Investments in unconsolidated companies	30,209	14,847
Notes receivable from stockholders	1,770	1,770
Other assets	10,893	3,775
TOTAL ASSETS	\$ 483,018	\$ 170,163
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of debt	\$ 38,035	\$ 27,863
Accounts payable	162,377	19,026
Other current liabilities	28,352	13,744
Total current liabilities	228,764	60,633
Other liabilities	33,593	14,800
Long-term debt	117,157	34,601
Convertible subordinated debentures	0	9,625
Total long-term debt	117,157	44,226
Commitments and contingencies		
Stockholders' equity:		
Common stock	2,643	2,643
Capital surplus	149,083	134,186
Retained earnings	35,728	5,663
Accumulated translation adjustments	(802)	1
Treasury stock	(83,148)	(91,989)
Total stockholders' equity	103,504	50,504
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 483,018	\$ 170,163
	=====	=====

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

MASTEC, INC .
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
for the three years ended December 31, 1996
(In thousands)

	Common Stock Issued Shares	Amount	Capital Surplus	Retained Earnings	Accumulated Translation Adjustment	Treasury Stock	Total
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
Net income				30,065			30,065
Cumulative effect of translation					(803)		(803)
Stock issued from treasury stock for options exercised			48			523	571
Tax benefit for stock option plan			513				513
Stock issued from treasury stock for an acquisition			8,844			2,201	11,045
Stock issued for Debentures from treasury stock			5,492			6,117	11,609
Balance December 31, 1996	26,435	\$ 2,643	\$149,083	\$ 35,728	\$ (802)	\$(83,148)	\$103,504

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

MASTEC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
for the three years ended December 31, 1996
(In thousands)

	1996	1995	1994
Cash flows from operating activities:			
Net income (loss)	\$ 30,065	\$ (609)	\$ 7,519
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	12,000	6,913	5,474
Minority interest	(93)	(161)	0
Equity in (earnings) losses of unconsolidated companies	(3,040)	300	(247)
Special charge-real estate and investments write downs	0	23,086	0
Gain on sale of discontinued operations	(144)	(2,667)	0
(Gain) loss on sale of assets	(221)	(156)	(609)
Stock issued to employees from treasury stock	0	0	74
Changes in assets and liabilities net of effects of acquisitions and divestitures:			
Accounts receivable-net and unbilled revenue	(12,013)	(20,322)	(8,249)
Inventories and other current assets	(2,448)	(1,626)	(128)
Other assets	(3,250)	(2,545)	511
Accounts payable and accrued expenses	24,492	10,929	139
Income taxes	3,814	1,754	1,133
Other current liabilities	(6,706)	(1,194)	(2,900)
Net assets of discontinued operations	1,148	963	0
Deferred income taxes	(1,240)	(10,092)	884
Other liabilities	(4,942)	1,023	(9)
	-----	-----	-----
Net cash provided by operating activities	37,422	5,596	3,592
Cash flows used in investing activities:			
Capital expenditures	(7,059)	(14,668)	(4,272)
Investment in notes receivable	0	(25,000)	0
Investments in unconsolidated companies	(1,212)	(7,408)	0
Notes to stockholders	0	0	(3,570)
Repayment of notes to stockholders	0	1,800	0
Cash acquired in acquisitions	1,130	148	6,585
Cash paid in acquisitions	(6,164)	(1,750)	(1,850)
Proceeds from sale of assets	9,107	2,934	664
Repayment of notes receivable	1,273	443	0
Distributions from unconsolidated companies	0	245	277
Net proceeds from sale of discontinued operations	297	21,293	0
	-----	-----	-----
Net cash used in investing activities	(2,628)	(21,963)	(2,166)
	-----	-----	-----

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

MASTEC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
for the three years ended December 31, 1996
(In thousands)

	1996	1995	1994
Cash flows from financing activities:			
Proceeds from Term Loan	0	24,500	1,000
Proceeds from Revolver	17,476	21,625	0
Financing costs	0	(516)	0
Other borrowings	21,739	5,450	0
Debt repayments	(70,320)	(26,966)	(5,244)
Debt repayments - Revolver	0	(10,000)	0
Repayments of notes from stockholders	0	(2,500)	(500)
Net proceeds from common stock issued from treasury stock	792	238	0
	-----	-----	-----
Net cash (used in) provided by financing activities	(30,313)	11,831	(4,744)
	-----	-----	-----
Net effect of translation on cash	(803)	0	0
Net increase (decrease) in cash and cash equivalents	3,678	(4,536)	(3,318)
Cash and cash equivalents- beginning of period	1,076	5,612	8,930
	-----	-----	-----
Cash and cash equivalents- end of period	\$ 4,754	\$ 1,076	\$ 5,612
	=====	=====	=====
Cash paid during the period:			
Interest	\$ 10,029	\$ 4,984	\$ 3,984
Income taxes	\$ 11,676	\$ 7,527	\$ 1,695

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

MASTEC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
for the three years ended December 31, 1996
(In thousands)

Supplemental disclosure of non-cash investing and financing activities:

	1996
Acquisition of Sintel:	
Fair value of assets acquired:	
Accounts receivable	\$ 242,280
Inventories	2,258
Other current assets	10,088
Property and equipment	8,093
Investment in unconsolidated companies	9,373
Other assets	2,094

Total non-cash assets	274,186

Liabilities	158,390
Long-term debt	78,024

Total liabilities assumed	236,414

Net non-cash assets acquired	37,772
Cash acquired	832

Purchase price	\$ 38,604
	=====

Seller financing	\$ 33,061
Cash paid for acquisition	5,164
Acquisition costs paid by the Company	379

Purchase price	\$ 38,604
	=====

Acquisition of Harrison-Wright:	
Fair value of net assets acquired:	
Accounts receivables	\$ 2,147
Discontinued operations	4,225
Other current assets	2,547
Property	4,398
Other assets	55

Total non-cash assets	13,372

Liabilities	1,665
Long-term debt	366

Total liabilities assumed	2,031

Net non-cash assets acquired	11,341
Cash acquired	131

Net value of assets acquired	\$ 11,472
	=====

MasTec stock issued to Harrison-Wright's shareholders	\$ 11,045
Cash paid for acquisition	131
Acquisition costs paid by the Company	296

Purchase price	\$ 11,472
	=====

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

MASTEC, INC.
 CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
 for the three years ended December 31, 1996
 (In thousands)

Supplemental disclosure of non-cash investing and financing activities:

	1996
Acquisition of Carolina ComTec:	
Fair value of assets acquired:	
Accounts receivable, net of allowances of \$167	\$ 3,660
Inventories	722
Other current assets	26
Property and equipment	657
Other assets	11

Total non-cash assets	5,076

Liabilities	2,873
Long-term debt	576

Total liabilities assumed	3,449

Net non-cash assets acquired	1,627
Cash acquired	167

Fair value of net assets acquired	1,794
Excess over fair value of assets acquired	4,956

Purchase price	\$ 6,750
	=====
Seller financing	\$ 3,500
Cash paid for acquisition	1,000
Contingent consideration	2,250

Purchase price	\$ 6,750
	=====

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

MASTEC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
for the three years ended December 31, 1996
(In thousands)

Supplemental disclosure of non-cash investing and financing activities:

	1995
Acquisitions:	
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
	=====
Disposals:	
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
	=====

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

MASTEC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
for the three years ended December 31, 1996
(In thousands)

Supplemental disclosure of non-cash investing and financing activities:

		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	
		=====	
	1996	1995	1994
Property acquired through financing			
arrangements	\$ 8,550	\$ 9,452	\$ 2,989
	=====	=====	=====
Property acquired through capital leases	\$ 0	\$ 0	\$ 1,764
	=====	=====	=====

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

MASTEC, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
for the three years ended December 31, 1996
(In thousands)

Supplemental disclosure of non-cash investing and financing activities:

In 1996, the Company issued approximately 198,000 shares of Common Stock for an acquisition. Common Stock was issued from treasury at a cost of \$2.2 million.

In 1996, the Company converted \$11.6 million of its 12% Convertible Subordinated Debentures into Common Stock. Common Stock was issued from treasury at a cost of \$6.1 million. See Note 6 to the Consolidated Financial Statements.

In 1996, the Company's purchase of an additional 3% interest in Supercanal, S.A. was financed in part by the sellers for \$2 million. See Note 2 to the Consolidated Financial Statements.

During 1996, MasTec issued \$523,000 of Common Stock from treasury for stock option exercises. Capital surplus was increased by \$48,000.

In 1995, the Company's purchase of a 33% interest in Supercanal was financed in part by the seller for \$7 million. See Note 2 to the Consolidated Financial Statements.

During 1995, MasTec issued \$146,000 of Common Stock from treasury stock 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 stock to its employees. Capital surplus was reduced by \$22,000.

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

1. NATURE OF BUSINESS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of business

MasTec, Inc. (the "Company" or "MasTec") is one of the world's leading contractors specializing in the build-out of telecommunications infrastructure. The Company's principal business consists of the design, installation and maintenance of the outside physical plant ("outside plant") for telephone and cable television communications systems, including the installation of aerial, underground and buried copper, coaxial and fiber optic cable networks and the construction of wireless antenna networks for telecommunications service companies such as local exchange carriers, competitive access providers, cable television operators, long-distance carriers, and wireless phone companies. The Company also installs central office equipment and designs, installs and maintains integrated voice, data and video local and wide area networks inside buildings ("inside wiring"). The Company believes it is the largest independent contractor providing telecommunications infrastructure construction services in the United States and Spain and one of the largest in Argentina, Chile and Peru.

The Company is able to provide a full range of infrastructure services to its telecommunications company customers. Domestically, the Company provides outside plant services to local exchange carriers such as BellSouth Telecommunications, Inc. ("BellSouth"), U.S. West Communications, Inc., SBC Communications, Inc., United Telephone of Florida, Inc. (a subsidiary of Sprint Corporation) and GTE Corp. MasTec currently has 20 exclusive, multi-year service contracts ("master contracts") with regional bell operating companies ("RBOCs") and other local exchange carriers to provide all of their outside plant requirements up to a specific dollar amount per job and within certain geographic areas. Internationally, the Company provides through its wholly owned subsidiary Sistemas e Instalaciones de Telecomunicacion, S.A. ("Sintel") outside plant services, turn-key switching system installation and inside wiring services to Telefonica de Espana, S.A. ("Telefonica") under multi-year contracts similar to those in the U.S.

The Company was formed through the combination of Church & Tower and Burnup & Sims, two established names in the U.S. telecommunications construction services industry. On March 11, 1994, the shareholders of Church & Tower acquired 65% of the outstanding common stock of Burnup & Sims in a reverse acquisition (the "Burnup Acquisition"). Following the change in control, the senior management of Burnup & Sims was replaced by Church & Tower management and the name of Burnup & Sims was changed to "MasTec, Inc." Church & Tower is considered the predecessor company to MasTec and, accordingly, the results of Burnup & Sims subsequent to March 11, 1994 are included in the results of the Company.

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. All material intercompany accounts and transactions have been eliminated. Certain prior year amounts have been reclassified to conform to the current presentation.

Foreign currency

The financial position and results of operations of the Company's foreign subsidiaries are measured using local currency as the functional currency. The Company translates foreign currency financial statements by translating balance sheet accounts at the exchange rate on the balance sheet date and income statement accounts at the average exchange rate for the period. Translation gains and losses are recorded in stockholders' equity, and transaction gains and losses are reflected in income.

Revenue recognition

Revenue and related costs for short-term telecommunications construction projects, which represent approximately 90% of total revenue, are recognized as the projects are completed. Revenue generated by certain 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 in full 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 were not considered because they had 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.

The Company's Board of Directors declared a three-for-two stock split in the form of a stock dividend for stockholders of record on February 3, 1997 payable on February 28, 1997. All earnings per share amounts have been calculated as if the dividend had occurred on December 31, 1993.

In February 1997, the Financial Accounting Standards Board (the FASB) issued Statement of Financial Accounting Standards No. 128, Earnings Per Share (FAS 128). FAS 128 specifies new standards designed to improve the EPS information provided in financial statements by simplifying the existing computational guidelines, revising the disclosure requirements, and increasing the comparability of EPS data on an international basis. FAS 128 is effective for financial statements issued for periods ending after December 15, 1997, including interim periods. The Company does not believe it will have any material effect on its EPS calculation.

Cash and cash equivalents

The Company considers all short-term investments with maturities of three months or less when purchased to be cash equivalents. 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.

Inventories

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

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1996, 1995 AND 1994

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 real estate located primarily in Florida, acquired in connection with the Burnup Acquisition, is stated at their estimated net realizable value. Investments in unconsolidated companies are accounted for following the equity method of accounting (see Note 2).

Accrued insurance

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

Income taxes

The Company 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.

2. ACQUISITIONS AND INVESTING ACTIVITIES

Sistemas e Instalaciones de Telecomunicacion, S.A. ("Sintel")

On April 30, 1996, the Company purchased from Telefonica, 100% of the capital stock of Sistemas e Instalaciones de Telecomunicacion, S.A. ("Sintel"), a company engaged in telecommunications infrastructure construction services in Spain, Argentina, Chile, and Peru. In Argentina, Chile and Peru, the Company operates through unconsolidated joint ventures in which it holds interests ranging from 38% to 50%. The purchase price for Sintel was Spanish Pesetas ("Pesetas") 4.9 billion (US\$39.5 million at the then exchange rate of 124 Pesetas to one U.S. dollar). An initial payment of Pesetas 650 million (\$5.1 million) was made at closing. An additional Pesetas 650 million (\$4.9 million) was paid on December 31, 1996, with the balance of the purchase price, Pesetas 3.6 billion (US\$27.5 million), due in two equal installments on December 31, 1997 and 1998. Prior to April 30, 1996, as part of the terms of the purchase and sale agreement with Telefonica, Sintel sold certain buildings to Telefonica and Telefonica repaid certain tax credits and made a capital contribution to Sintel collectively referred to as the "Related Transactions". The total proceeds from the Related Transactions were approximately \$41 million. The assets and liabilities resulting from the acquisition are disclosed in the supplemental schedule of non-cash investing and financing activities in the Consolidated Statements of Cash Flows. The Sintel acquisition gives the Company a significant international presence. See Note 10 regarding geographic information.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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The following information presents the unaudited pro forma condensed results of operations for the years ended December 31, 1996 and 1995 as if the Company's acquisition of Sintel and the Related Transactions had occurred on January 1, 1995. The Sintel acquisition has been treated as a "purchase" as the term is used under generally accepted accounting principles. Management's preliminary estimate of fair value approximated that of the carrying value of the net assets acquired after reflecting a reserve for involuntary employee terminations of \$12.4 million and deferred taxes of \$4.3 million. At December 31, 1996, approximately \$2.7 million remained outstanding related to the termination reserve. The allocation reflects management's best estimate based upon currently available information and significant differences are not expected. The pro forma results, which include adjustments to increase interest expense resulting from the debt incurred pursuant to the Sintel acquisition (\$700,000 and \$2.4 million for 1996 and 1995, respectively), offset by the reduction in interest and depreciation expenses resulting from the Related Transactions (\$1 million and \$4.4 million for 1996 and 1995, respectively) and a tax benefit at 35% for each period are presented for informational purposes only and are not necessarily indicative of the future results of operations or financial position of the Company or the results of operations or financial position of the Company had the Sintel acquisition and the Related Transactions occurred January 1, 1995.

Pro forma results of operations
for the year ended December 31,
(in thousands)

	1996	1995
Revenue	\$ 556,495	\$ 430,085
Income (loss) from continuing operations	33,372	(17,498)
Net income (loss)	33,261	(14,967)
Earnings (loss) per share:		
Continuing operations	\$ 1.33	(0.73)
Discontinued operations	(.01)	0.10
	-----	-----
Net income (loss)	\$ 1.32	\$ (0.63)
	=====	=====

The pro forma results for the year ended December 31, 1996 and 1995, include special charges incurred by Sintel related to a restructuring plan of \$1.4 million and \$21.1 million, net of tax, respectively.

During 1996 and 1995, the Company completed certain other acquisitions which have also been accounted for under the purchase method of accounting and the results of operations have been included in the Company's consolidated financial statements from the respective acquisition dates. If the acquisitions had been made at the beginning of 1996 or 1995, pro forma results of operations would not have differed materially from actual results. Acquisitions made in 1996 were Carolina ComTec, Inc., a privately held company engaged in installing and maintaining voice, data and video networks and Harrison-Wright Company Inc., one of the oldest telecommunications contractors in the southeastern United States. In 1995, the Company acquired Utility Line Maintenance, a privately held company engaged in the utility right of way clearance business.

Investing activities

In July 1996, the Company contributed its 36% ownership interest in Supercanal, S.A., a CATV operator in Argentina to a holding company. Concurrently, Multicanal, S.A., one of the leading cable television operators in Argentina, acquired a 20% interest in the holding company for approximately \$17

million in cash. The Company's interest in the holding company was reduced to approximately 28.5% as a result of Multicanal's investment. At December 31, 1996, the Company's investment was \$16.0 million.

Since 1995, the Company invested a total of \$2 million for a 9.3% interest in a Mexican public pay telephone company.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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3. ACCOUNTS RECEIVABLE-NET

Accounts receivable are net of an allowance for doubtful accounts of \$3,065,000, \$1,009,000 and \$1,404,000 at December 31, 1996, 1995 and 1994, respectively. The Company recorded a provision for doubtful accounts of \$1,083,000, \$425,000 and \$268,000 during 1996, 1995 and 1994, respectively. In addition, the Company recorded write-offs of \$77,000, \$683,000 and \$596,000 during 1996, 1995 and 1994, respectively and in 1996 transferred from other accounts \$883,000.

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 \$4,052,000 and \$2,561,000 at December 31, 1996 and 1995, respectively.

4. NOTES RECEIVABLE

In July 1995, the Company made a \$25 million one year non-recourse term loan to Devono Company Limited, a British Virgin Islands corporation ("Devono"). The loan is collateralized by 40% of the capital stock of a holding company that owns 52.6% of the capital stock of Consorcio Ecuatoriano de Telecomunicaciones, S.A. ("Conecell"), one of two cellular phone operators in the Republic of Ecuador. In order to permit a sale of Devono's indirect interest in Conecell to a third party, the Company has not called its loan. In any such future sale, the Company is entitled under the terms of its loan agreement with Devono to repayment of its loan and accrued interest, plus a certain percentage of the total purchase price.

5. PROPERTY AND EQUIPMENT

Property and equipment is comprised of the following as of December 31, 1996 and 1995 (in thousands):

	1996	1995
Land	\$ 7,479	\$ 6,926
Buildings and improvements	6,187	4,081
Machinery and equipment	63,110	43,605
Office furniture and equipment	3,343	1,194
	-----	-----
	80,119	55,806
Less-accumulated depreciation	(20,517)	(11,235)
	-----	-----
	\$ 59,602	\$ 44,571
	=====	=====

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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6. DEBT

Debt is comprised of the following as of December 31, 1996 and 1995 (in thousands):

	1996	1995
Revolver, Fleet Credit Facility at LIBOR plus 2.00% (7.69% and 7.75% at December 31, 1996 and 1995, respectively)	\$ 24,865	\$ 10,982
Term Loan, Fleet Credit Facility, at LIBOR plus 2.25% (7.94% and 8.00% at December 31, 1996 and 1995, respectively)	22,000	23,262
Revolving credit facility, at MIBOR plus 0.30% (7.00%) at December 31, 1996 due November 1, 1998)	43,613	0
Other bank facilities, at interest rates from 8.1% to 9.3%	11,048	0
Notes payable for equipment, at interest rates from 7.5% to 8.5% due in installments through the year 2000	18,865	14,682
Notes payable for acquisitions, at interest rates from 7% to 8% due in installments through February 2000	32,253	8,382
Real estate mortgage notes, at interest rates from 8.5% to 8.53% due in installments through the year 2001	2,548	2,531
12% Convertible Subordinated Debentures	0	12,250
	-----	-----
Total debt	155,192	72,089
Less current maturities	(38,035)	(27,863)
	-----	-----
Long term debt	\$117,157	\$ 44,226
	=====	=====

Not included in the preceding table at December 31, 1996 and 1995 is approximately \$1.9 million and \$2.2 million, respectively in capital leases related to discontinued operations (see Note 14).

The Company maintains a \$50 million credit facility with Fleet Capital Corporation (the "Fleet Credit Facility") collateralized by certain equipment and receivables maturing January 2000 and also maintains several other credit facilities for the purpose of financing equipment purchases. The Company may reborrow under the Revolver as principal payments under the Term Loan are made. Interest on the Term Loan accrues, 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. Additionally, the Company has several credit facilities denominated in Pesetas, one of which is a revolving credit facility with a wholly-owned finance subsidiary of Telefonica. Interest on this facility accrues at MIBOR (Madrid interbank offering rate) plus .30%. At December 31, 1996, the Company had \$82.1 million (1.08 billion Pesetas) of debt denominated in Pesetas, including \$27.4 million remaining under the acquisition debt incurred pursuant to the Sintel Acquisition (see Note 2).

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.

In May 1996, the Company called its 12% Convertible Subordinated Debentures (the "Debentures") effective June 30, 1996. The Debentures were converted into Common Stock increasing the number of shares outstanding by 690,456.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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The Company has letters of credit outstanding totaling \$3.5 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, 1996 debt matures as follows:

1997	\$ 38,035
1998	69,195
1999	9,314
2000	5,741
2001	4,548
after 2001	28,359

Total	\$ 155,192
	=====

7. STOCK OPTION PLANS

The Company's only employee stock option plan currently in effect is the 1994 Stock Incentive Plan (the "1994 Plan"). However, options which were outstanding under the Company's 1976 and 1978 stock option plans at the time of the Burnup Acquisition remain outstanding in accordance with the terms of the respective plans. Approximately 49,200 shares have been reserved for and may still be issued in accordance with the terms of such plans. Compensation expense of \$589,000 and \$51,000 was recorded in 1996 and 1995, respectively, related to the 1976 plan. Shares underlying stock options and exercise prices have been adjusted to reflect the three-for-two stock split declared in 1997 by the Board of Directors.

The 1994 Plan authorizes the grant of options or awards of restricted stock up to 1,200,000 shares of the Company's Common Stock, of which 300,000 shares may be awarded as restricted stock. As of December 31, 1996, options to purchase 732,000 shares had been granted. 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 ten years from the date of grant. Options are issued with an exercise price no less than the fair market value of the Common Stock at the grant date.

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 600,000 shares of the Company's Common Stock to the non-employee members of the Company's Board of Directors. Options to purchase 112,500 shares have been granted to Board members through 1996. 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.

In addition, during 1994 options to purchase 150,000 shares of Common Stock at \$3.83 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1996, 1995 AND 1994

The following is a summary of all stock option transactions:

	Shares	Weighted Avg. Exercise Price	Exercise Price	Weighted Avg. Fair Value of Options Granted
Outstanding December 31, 1994	407,700	\$ 4.62	\$ 0.10 - \$ 5.29	
Granted	303,000	8.48	\$ 6.83 - \$ 8.92	\$ 4.22
Exercised	(3,150)	5.29	\$ 0.10 - \$ 5.29	
Canceled	(32,250)	3.94	\$ 0.10 - \$ 8.92	
	-----	-----		
Outstanding December 31, 1995	675,300	6.11	\$ 0.10 - \$ 8.92	
Granted	306,000	16.96	\$ 7.42 - \$ 28.58	\$ 9.23
Exercised	(81,600)	6.02	\$.10 - \$ 8.92	
Canceled	(2,700)	5.29	\$ 8.92 - \$ 8.92	
	-----	-----		
Outstanding December 31, 1996	897,000	\$ 9.81	\$.10 - \$ 28.58	
	=====	=====		

The following table summarizes information about stock options outstanding at December 31, 1996:

Range of Exercise Prices	Options Outstanding			Options Exercisable	
	Number Outstanding at 12/31/96	Wtd. Avg. Remaining Contractual Life	Wtd. Avg. Exercise Price	Number Exercisable at 12/31/96	Wtd. Avg. Exercise Price
0.10	17,850	6.4	\$ 0.10	5,400	\$ 0.10
1.33	21,000	6.4	1.33	9,570	1.33
3.83 - 5.29	281,250	7.2	4.51	85,470	4.51
6.68 - 8.92	368,400	8.7	8.28	38,700	8.83
21.25 - 28.58	208,500	9.6	21.38	0	-
	-----	---	-----	-----	-----
0.10 - 28.58	897,000	8.3	\$ 9.82	139,140	\$ 5.32
	=====	===	=====	=====	=====

As of December 31, 1996, the Company adopted the disclosure provisions of Financial Accounting Standards Board Statement No. 123, "Accounting for Stock-Based Compensation." Accordingly, the Company is required to disclose pro forma net income and earnings per share both for 1996 and 1995 as if compensation expense relative to the fair value of the options granted had been included in earnings. The fair value of each option grant was estimated using the Black-Scholes option-pricing model with the following assumptions used for grants in 1996 and 1995, respectively: a five year expected life for all years; volatility factors of 51% for both years; risk-free interest rates of 6.13% and 5.94%, respectively; and no dividend payments. Had compensation cost for the Company's options plans been determined and recorded consistent with FASB Statement No. 123, the Company's net income and earnings per share would have been reduced to the pro forma amounts as follows:

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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	1996	1995
Net income (loss)		
As reported	\$ 30,065	\$ (609)
Pro forma	29,211	(880)
Earnings per share		
As reported	\$ 1.20	\$ (0.03)
Pro forma	\$ 1.16	\$ (0.04)

The 1996 and 1995 pro forma effect on net income is not necessarily representative of the effect in future years because it does not take into consideration pro forma compensation expense related to grants made prior to 1995 and does not reflect a tax benefit related to the compensation expense as such benefit would be reflected directly in stockholders' equity given that the options are considered incentive stock options.

8. INCOME TAXES

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

	1996	1995	1994
Current:			
Federal	\$ 10,891	\$ 4,821	\$ 2,444
Foreign	5,347		
State and local	1,536	(284)	375
Total current	17,774	4,537	2,819
Deferred:			
Federal	(1,895)	(5,879)	(422)
State and local	(218)	(493)	(72)
Total deferred	(2,113)	(6,372)	(494)
Provision (benefit) for income taxes	15,661	(1,835)	2,325
Discontinued operations	(70)	135	552
Total	\$ 15,591	\$ (1,700)	\$ 2,877

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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The tax effects of significant items comprising the Company's net deferred tax liability as of December 31, 1996 and 1995 are as follows (in thousands):

	1996	1995
Deferred tax assets:		
Accrued self insurance	\$ 3,050	\$ 2,773
Operating loss and tax credit carry forward	525	543
Accrual for disposal of discontinued operations	1,147	1,503
All other	4,774	2,708
	-----	-----
Total deferred tax assets	\$ 9,496	\$ 7,527
	-----	-----
Deferred tax liabilities:		
Property and equipment	\$ 5,817	\$ 5,873
Asset revaluations	5,462	2,604
All other	1,718	2,820
	-----	-----
Total deferred tax liabilities	\$ 12,997	\$ 11,297
	-----	-----
Valuation allowance	500	400
	-----	-----
Net deferred tax liabilities	\$ 4,001	\$ 4,170
	=====	=====

The net change in the valuation allowance for deferred tax assets in 1996 was an increase of \$100,000. The change relates primarily to state capital losses generated in the current year which management believes will more likely than not be realized.

Deferred tax assets of \$2,096,000 and \$1,068,000 for 1996 and 1995, respectively, have been recorded in current assets in the accompanying consolidated financial statements.

A reconciliation of U.S. statutory federal income tax expense on the earnings from continuing operations is as follows:

	1996	1995	1994
U.S. statutory federal rate applied to pretax income	35%	(35)%	34%
State and local income taxes	2	(2)	5
Effect of dividend exclusion	0	(5)	(2)
Change in tax status	0	0	(9)
Foreign loss producing no tax benefit	0	6	0
Effect of non-U.S. tax rates	(3)		
Adjustment of prior years' taxes	0	(5)	0
Change in federal statutory tax rate	0	9	0
Change in state tax filing status	0	(8)	0
Other	0	3	(2)
	--	---	--
(Benefit) Provision for income taxes	34%	(37)%	26%
	==	===	==

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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No provision was made in 1996 for U.S. income taxes on the undistributed earnings of the foreign subsidiaries as it is the Company's intention to utilize those earnings in the foreign operations for an indefinite period of time or repatriate such earnings only when tax effective to do so. At December 31, 1996 undistributed earnings of the foreign subsidiaries amounted to \$12.5 million. If the earnings of such foreign subsidiaries were not indefinitely reinvested, a deferred tax liability of \$1.3 million would have been required.

The Internal Revenue Service is currently examining the tax returns of Burnup & Sims for the fiscal years ended April 30, 1989 through April 30, 1993. The Company has filed a protest with the appellate level of the IRS regarding assessments made for the years 1989 through 1991. Adjustments, if any, as a result of this audit will be recorded as an adjustment to purchase accounting.

9. CAPITAL STOCK

The Company has authorized 50,000,000 shares of Common Stock. At December 31, 1996 and 1995, 26,434,814 shares of Common Stock were issued, 25,621,134 and 24,082,584 shares were outstanding (adjusted for the stock split), respectively, and 813,680 and 2,352,230 were held in treasury, at cost (after giving effect to the stock split paid in the form of a dividend from treasury stock), respectively.

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

At December 31, 1996 and 1995, the Company had 5,000,000 shares of authorized but unissued preferred stock.

10. OPERATIONS BY GEOGRAPHIC AREAS

The Company's principal source of revenue is the provision of telecommunication infrastructure construction services in the United States and Spain. The Company did not have significant international operations in 1995 or 1994, accordingly, only 1996 geographic information is presented below:

	1996
Revenue	
Domestic	\$ 284,645
International	188,155

Total	\$ 472,800
	=====
Operating income	
Domestic	\$ 30,209
International	19,733

Total	\$ 49,942
	=====
Identifiable assets	
Domestic	\$ 118,929
International	258,071
Corporate	106,018

Total	\$ 483,018
	=====

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
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There are no transfers between geographic areas. Operating income consists of revenue less operating expenses, and does not include interest expense, interest and other income, equity in earnings of unconsolidated companies, minority interest and income taxes. Domestic operating income is net of corporate general and administrative expenses. Identifiable assets of geographic areas are those assets used in the Company's operations in each area. Corporate assets include cash and cash equivalents, investments in unconsolidated companies, net assets of discontinued operations, real estate held for sale and notes receivable.

11. SIGNIFICANT CUSTOMERS AND CONCENTRATION OF CREDIT RISK

The Company derives a substantial portion of its revenue from the provision of telecommunication infrastructure services to Telefonica and to BellSouth. For

the year ended December 31, 1996, approximately 35% and 15% of the Company's revenue was derived from services performed for Telefonica and BellSouth, respectively. Revenue generated by Sintel from Telefonica is included from May 1, 1996 (see Note 2). During 1995 and 1994, the Company derived revenue from BellSouth of approximately \$73.1 million and \$48.3 million, respectively. Accounts receivable from the Company's two largest customers at December 31, 1996 and 1995 were \$194.2 million and \$19.3 million, respectively. Although the Company's strategic plan envisions diversification of its customer base, the Company anticipates that it will continue to be dependent on Telefonica and its affiliates and BellSouth for a significant portion of its revenue in the future.

12. COMMITMENTS AND CONTINGENCIES

In December 1990, Albert H. Kahn, a stockholder of the Company, filed a purported class action and derivative suit in Delaware state court against the Company, the then-members of its Board of Directors, and National Beverage Corporation ("NBC"), the Company's then-largest stockholder. The complaint alleges, among other things, that the Company's Board of Directors and NBC breached their respective fiduciary duties in approving certain transactions, including the distribution in 1989 to the Company's stockholders of all of the common stock of NBC owned by the Company and the exchange by NBC of shares of common stock of the Company for certain indebtedness of NBC to the Company. 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 the Company, the then-members of its Board of Directors, Church & Tower, Inc. and Jorge L. Mas, Jorge Mas and Juan Carlos Mas, the principal shareholders of Church & Tower, Inc. The 1993 lawsuit alleges, among other things, that the Company's Board of Directors and NBC breached their respective fiduciary duties by approving the terms of the acquisition of the Company by the Mas family, and that Church & Tower, Inc. and its principal shareholders had knowledge of the fiduciary duties owed by NBC and the Company's Board of Directors and knowingly and substantially participated in the breach of these duties. The lawsuit also claims derivatively that each member of the Company's Board of Directors engaged in mismanagement, waste and breach of fiduciary duties in managing the Company's affairs prior to the acquisition by the Mas Family.

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 in November 1995 by BellSouth arising from certain work performed by a subcontractor of the Company from 1991 to 1993. The amount claimed against the Company in this lawsuit approximates \$800,000. The Company has filed a counterclaim against BellSouth for unpaid invoices related to this work. The Company believes that the allegations asserted by BellSouth in the lawsuit are without merit and intends to defend the lawsuit vigorously.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 1996, 1995 AND 1994

All of the claims asserted in the lawsuits described above, with the exception of the second lawsuit filed by Albert Kahn, arise from activities undertaken prior to March 1994, the date of the consummation of the acquisition of the Company by the Mas Family.

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 position or results of operations.

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.

In connection with certain contracts, the Company has signed certain agreements of indemnity in the aggregate amount of approximately \$100.2 million, of which approximately \$62.3 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.

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.

13. FAIR VALUE

For certain of the Company's financial instruments, including cash and cash equivalents, accounts and notes receivable, accounts payable and other liabilities, the carrying amounts approximate fair value due to their short maturities. Long-term floating rate notes are carried at amounts that approximate fair value.

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.

14. DISCONTINUED OPERATIONS AND REAL ESTATE HELD FOR SALE

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 Burnup Acquisition. These operations and assets include Southeastern Printing Company, Inc. ("Southeastern"), Lectro Products, Inc. ("Lectro") and Floyd Theatres, Inc. ("Floyd Theatres").

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 DECEMBER 31, 1996, 1995 AND 1994

In March 1995, the Company sold the indoor theater assets of Floyd Theatres for approximately \$11.5 million. A gain of \$1.5 million net of tax, resulted from this transaction in the first quarter. In August 1995, the Company sold the stock of Lectro for \$11.9 million in cash and a note receivable of \$450,000. A gain of \$5.9 million, net of tax was recorded in the third quarter related to the sale of Lectro. In January 1997, the Company sold the assets of Southeastern at its carrying value for approximately \$2.1 million in cash and a note for \$500,000.

As part of the acquisition of Harrison-Wright (see Note 2) the Company purchased the assets of Utility Pre-cast, Inc. The Company intends to sell the pre-cast business and accordingly has reflected the net assets of approximately \$4.2 million as a discontinued operation.

Included in other current assets in the accompanying balance sheet is approximately \$15.7 million and \$17.7 million of real estate held for sale at December 31, 1996 and 1995, respectively.

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):

	1996	1995	1994
Revenue	\$ 12,665 =====	\$ 21,952 =====	\$ 29,902 =====
(Loss) earnings before income taxes	(288)	\$ 58	\$ 1,377
(Benefit) provision for income taxes	(111)	20	552
	-----	-----	-----
Net income from discontinued operations	\$ 177 =====	\$ 38 =====	\$ 825 =====

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 1996, 1995 AND 1994

15. QUARTERLY FINANCIAL DATA (Unaudited)

	(Dollars in thousands, except earnings per share)				
1996:	First Quarter	Second Quarter (2)	Third Quarter (3)	Fourth Quarter (4)	Total
Revenue	\$ 62,547 =====	\$ 108,634 =====	\$ 142,394 =====	\$ 159,225 =====	\$ 472,800 =====
Operating income	\$ 6,477 =====	\$ 11,384 =====	\$ 15,401 =====	\$ 16,680 =====	\$ 49,942 =====
Income from continuing operations	\$ 3,695	\$ 6,373	\$ 9,362	\$ 10,746	\$ 30,176
(Loss) income from discontinued operations including gain (loss) on disposal, net of taxes	(14) -----	27 -----	163 -----	(287) -----	(111) -----
Net income	\$ 3,681 =====	\$ 6,400 =====	\$ 9,525 =====	\$ 10,459 =====	\$ 30,065 =====
Earnings per share (1) (5):					
Income from continuing operations	\$ 0.15	\$ 0.26	\$ 0.37	\$ 0.41	\$ 1.20
Income from discontinued operations	0.00 -----	0.00 -----	0.00 -----	(0.01) -----	0.00 -----
	\$ 0.15 =====	\$ 0.26 =====	\$ 0.37 =====	\$ 0.40 =====	\$ 1.20 =====
1995:					
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 (1) (5):					
Income (loss) from continuing operations	\$ 0.10	\$ 0.18	\$ (0.31)	\$ (0.11)	\$ (0.13)
Income (loss) from discontinued operations	0.07 -----	0.01 -----	0.06 -----	(0.04) -----	0.10 -----
	\$ 0.17 =====	\$ 0.19 =====	\$ (0.24) =====	\$ (0.15) =====	\$ (0.03) =====

(1) Earnings per share amounts have been adjusted to reflect the three-for-two stock split declared by the Company's Board of Directors subsequent to year end.

(2) The Company acquired Sintel (see Note 2) on April 30, 1996.

(3) 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.

(4) 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.

(5) Earnings per share are computed independently for each of the quarters presented. Therefore, the sum of the quarterly per share data does not equal the total computed for the year due to changes in the weighted average number of shares outstanding.

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 26, 1997.

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 26, 1997.

/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/ Jose S. Sorzano
Jose S. Sorzano
Director

/s/ Arthur B. Laffer
Arthur B. Laffer
Director

/s/ Eliot C. Abbott
Eliot C. Abbott
Director

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. 33-55237) and incorporated by reference herein.

10.1 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.

10.2 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 reference herein.

10.3 Amendment to Loan and Security Agreement dated February 29, 1996 between the Company and Fleet Capital Corporation filed as Exhibit 10.5 to the Company's Form 10-K for the year ended December 31, 1995 and incorporated by reference herein.

10.4 Stock Option Agreement dated March 11, 1994 between the Company and Arthur B. Laffer as filed as Exhibit 10.6 to the Company's Form 10-K for the year ended December 31, 1995 and incorporated by reference herein.

10.5 Joinder and Second Amendment to Loan and Security Agreement dated December 30, 1996 between the Company and Fleet Capital Corporation.

21.1 Subsidiaries of the Company.

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

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

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

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

27.1 Financial data schedule.

JOINDER AND SECOND AMENDMENT
TO LOAN AND SECURITY AGREEMENT

This Joinder and Second Amendment to Loan and Security Agreement ("Second Amendment") entered into as of December 30, 1996 between Fleet Capital Corporation, f/k/a Shawmut Capital Corporation, successor to Barclays Business Credit, Inc. ("Lender"), a Rhode Island corporation with an office at 200 Glastonbury Boulevard, 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) each with its chief executive office at Suite 110, 3155 N.W. 77th Avenue, Miami, Florida 33122-1205; and Harrison-Wright Co., Inc., a Delaware corporation ("HWC"); Utility Precast, Inc., a Delaware corporation ("UPI"), each with its chief executive office at 305 South Church Street, Charlotte, NC 28202 and Carolina Com-tec, Inc., a North Carolina corporation ("CCI") with its chief executive office at 1715 Orr Industrial Park, Charlotte, NC 28213.

BACKGROUND

A. Borrowers, Sureties and Lender are parties to a certain Loan and Security Agreement dated January 26, 1995, as amended by that certain Joinder and First Amendment to Loan and Security Agreement dated February 29, 1996 (collectively "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. MasTec and H-W Liquidating Company, Inc. (f/k/a HarrisonWright Company, Inc.), a North Carolina corporation, and UPI Liquidating Company, Inc. (f/k/a Utility Precast, Inc.), a North Carolina corporation (collectively "Sellers") are parties to a certain Asset Purchase Agreement dated as of November 22, 1996, and MasTec and the shareholders of CCI are parties to a certain Stock Purchase Agreement dated as of February 2, 1996 (collectively with the Asset Purchase Agreement, the "Purchase Agreements") pursuant to which MasTec acquired all of the assets each of HWC and UPI and all of the issued and outstanding common stock of CCI (collectively "Stock").

C. In recognition of the benefits and privileges under the Loan Documents, HWC, UPI and CCI have requested that they be permitted to join into the Loan Documents as if original signatories thereto and Borrowers, Sureties and Lender have so consented subject to the terms and conditions hereof.

D. In addition, Borrowers have requested that Lender increase the Total Credit Facility. Lender has agreed to do so, subject to the terms and conditions set forth below.

NOW WHEREFORE, 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 Second Amendment, HWC, UPI and CCI join in, assume, adopt and become Borrowers under the Credit Facility and all Loans. All references to Borrower or Borrowers contained in the Loan Documents (including this Second Amendment) are hereby deemed, for all purposes to refer to and include HWC, UPI and CCI as a Borrower and HWC, UPI and CCI hereby agree to comply with all of the terms and conditions of the Loan Documents as if each were an original signatory thereto.

1.2 Without limiting the generality of the provisions of subparagraph 1.1 above, HWC, UPI and CCI are 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 \$50,000,000 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) \$50,000,000 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 the Consolidated 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 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 (a) As of December 27, 1996, the aggregate outstanding principal balance of all Equipment Loans is equal to \$9,375,000.00 and the outstanding principal balance of the Term Loan is equal to \$9,031,618.84. Pursuant to Borrowers' request, the Equipment Loans and the Term Loan are hereby consolidated and reset as the "Consolidated Term Loan". In conjunction with this Second Amendment, Lender shall advance an additional \$3,593,381.16 such that the

initial principal balance of the Consolidated Term Loan shall be equal to \$22,000,000. The Consolidated Term Loan shall be repayable quarterly, in equal quarterly installments of principal of \$1,000,000 each on the first day of each January, April, July and October with the entire amount of such Consolidated Term Loan due and payable upon the earlier to occur of (a) the last day of the Original Term, or if applicable, any Renewal Term, or (b) the termination of the credit Facility as provided for in the Loan Agreement, or (c) the scheduled final repayment date based on the stated repayment schedule. The Consolidated Term Loan shall be evidenced by that certain Amended, Restated and Consolidated Term Note, which is hereby incorporated by reference.

(b) Section 1.2 and Section 1.3 of the Loan Agreement are hereby deleted in their entirety and shall be deemed to be replaced by Section 1.3(a) of this Second Amendment.

(c) All references to the "Term Loan" and/or the "Equipment Loans" or an "Equipment Loan" contained in the Loan Agreement shall be deemed to refer to the Consolidated Term Loan.

2.4 The calculation of all financial covenants contained in the Loan Agreement and the calculation of EBIDTA for purposes of determining the-Revolving Credit LIBOR Rate and the Term LIBOR Rate, shall be based solely on the results of the Borrowers' financial performance, and shall specifically exclude the financial performance of any and all foreign subsidiaries including Telecommunication, S.A. ("Sintel").

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) \$50,000,000, 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 "Bank" is hereby deleted in its entirety and replaced with the following: Bank - Fleet National Bank.

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

3.4 The definition of "Telecommunication Group" is hereby amended by adding Harrison-Wright Co., Inc., Utility Precast, Inc. and Carolina Com-tec, Inc. as members of the Telecommunications Group. Total Credit Facility - \$50,000,000

3.5 Appendix A/General Definitions is hereby amended by adding the following definitions: (a) Amended, Restated and Consolidated Term Note - that certain promissory which evidences the Consolidated Term Loan, which amends, restates and consolidates the Master Equipment Note and the Term Note.

(b) Consolidated Term Loan - As defined in Section 2.3(a) of the Second Amendment to Loan and

Security Agreement.

(c) Sintel - As defined in Section 2.4 of the Second Amendment to Loan and Security Agreement. 4. Collateral. As security for the payment of the Obligations, and satisfaction by Borrowers (including without limitation HWC, UPI and CCI) of all covenants and undertakings contained in the Loan Agreement and the Loan Documents, HWC, UPI and CCI each hereby assigns and grants to Lender a continuing first Lien on (except with respect to such 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 HWC, UPI and/or CCI 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 Second Amendment shall be effective upon completion of the following conditions precedent (all documents to be in form and substance satisfactory to Lender and Lender's counsel): (a) Execution of this Second Amendment to Loan and Security Agreement.

(b) Execution and delivery of the Second Amended and Restated Revolving Credit Note which shall amend and restate, but not extinguish the indebtedness evidenced by, that certain Amended and Restated Revolving Credit Note dated February 29, 1996.

(c) The Amended, Restated and Consolidated Term Note, which amends, restates and consolidates that Master Equipment Note, as amended, and that certain Term Note, as amended, each dated as of January 26, 1995.

(d) UCC-1 Financing Statements to be executed by HWC, UPI and CCI and filed in all jurisdictions which Lender may deem appropriate.

(e) Certified copies of (i) the resolutions of each Borrower, including without limitation HWC, UPI and CCI, authorizing the execution of this Second Amendment, the Notes to be issued hereunder, and each document required to be delivered by any section hereof and (ii) HWC's, UPI's and CCI's articles of incorporation and by-laws.

(f) Incumbency Certificate for each Borrower, including without limitation HWC, UPI and CCI, identifying all Authorized Officers with specimen signatures.

(g) Evidence satisfactory to Lender in its reasonable

discretion that the acquisition of the Assets has been completed strictly in accordance with terms of the Purchase Agreements and the delivery to Lender of the fully executed Purchase Agreements and all related agreements.

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

(i) Good Standing Certificates of HWC, UPI and CCI from North Carolina and their respective states of incorporation.

6. Confirmation of Indebtedness. Borrowers hereby acknowledge and confirm that as of the close of business on December 27, 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 \$36,296,849.08, 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, currently in the aggregate face amount of \$3,515,650.92, 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 to be properly perfected and are 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 way 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 Second Amendment, including 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 HWC, UPI and CCI, 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 HWC, UPI and CCI, and by each Surety, of this Second 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 Second Amendment, the Notes referenced in Section 3 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.

9.4 Each of the Borrowers, including without limitation, HWC, UPI and CCI, is organized under the laws of the United States of America and is in good standing in all states where the failure to be in good standing might have a material adverse effect on its business or operations (financial or otherwise).

9.5 Borrowers, including without limitation, HWC, UPI and CCI and Sureties have no liability whatsoever with respect to the debts and liabilities of Sintel.

10. Governing Law.

This Second 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 Second Amendment are expressly inconsistent with the provisions of the Loan Documents, the provisions of this Second Amendment shall control.

12. Counterparts

This Second 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.

13. Incorporation.

This Second Amendment shall amend and is incorporated into the Loan Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Second 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.
UTILITY LINE MAINTENANCE, INC.

WITNESS/ATTEST: By: Edwin D. Johnson
Title: On Behalf of, and as
of each of the Foregoing
Borrowers

HARRISON-WRIGHT CO., INC.

WITNESS/ATTEST: By: Edwin D. Johnson
Title:

UTILITY PRECAST, INC.

WITNESS/ATTEST: By: Edwin D. Johnson
Title:

CAROLINA COM-TEC, INC.

WITNESS/ATTEST: By: Edwin D. Johnson
Title:

[SIGNATURES CONTINUED ON NEXT PAGE]

[SIGNATURES CONTINUED FROM PREVIOUS PAGE]

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: Edwin D. Johnson
Title: On Behalf of, and as
of each of the Foregoing
Borrowers

LENDER:

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

By: Howard Handman

Title:

Exhibit 21.1

Subsidiaries of the Registrant

Set forth below is a list of the significant subsidiaries of the Company.

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.+
Harrison-Wright Co., Inc.
Kennedy Cable Construction, Inc.
LatLink Corporation
MasTec ComTec of California, Inc.
MasTec ComTec of the Carolinas, Inc.
MasTec International, Inc.
MasTec Technologies, Inc.
R.D. Moody & Associates, Inc. +
Shanco Corporation +
Sistemas e Instalaciones de Telecomunicaciones, S.A.\$
Utility Line Maintenance, Inc. @

All jurisdictions of incorporation for the subsidiaries are in Delaware except the following: *Texas, +Florida, \$ Spain, @ Georgia. All subsidiaries listed are 100% owned.

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-4 (No.333-9607) of our report dated February 28, 1997, on our audits of the consolidated financial statements of MasTec, Inc. and subsidiaries as of December 31, 1996 and 1995, and for the years ended December 31, 1996, 1995, and 1994, which report is incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 24, 1997

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.333-22465) of our report dated February 28, 1997, on our audits of the consolidated financial statements of MasTec, Inc. and subsidiaries as of December 31, 1996 and 1995, and for the years ended December 31, 1996, 1995, and 1994, which report is incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 24, 1997

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 February 28, 1997, on our audits of the consolidated financial statements of MasTec, Inc. and subsidiaries as of December 31, 1996 and 1995, and for the years ended December 31, 1996, 1995, and 1994, which report is incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 24, 1997

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the incorporation by reference in the registration statement of MasTec, Inc. and subsidiaries on Form S-3 (No.333-11013) of our report dated February 28, 1997, on our audits of the consolidated financial statements of MasTec, Inc. and subsidiaries as of December 31, 1996 and 1995, and for the years ended December 31, 1996, 1995, and 1994, which report is incorporated by reference in this Annual Report on Form 10-K.

COOPERS & LYBRAND L.L.P.
Miami, Florida
March 24, 1997

YEAR	
DEC-31-1996	
DEC-31-1996	4,754
	0
	309,086
	(3,064)
	4,837
	380,544
	80,119
	(20,517)
	483,018
228,764	
	0
0	
	0
	2,643
	100,861
483,018	
	472,800
	472,800
	352,329
	352,329
	63,200
	0
	11,434
	45,837
	15,661
30,176	
	(111)
	0
	0
	30,065
	1.2
	1.2