SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 1997
Commission file number 0-3797

(Exact name of registrant as specified in its charter)

Delaware	59-1259279
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3155 N.W. 77th Avenue, Miami, FL	33122-1205
(Address of principal executive offices)	(Zip Code)

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

Former name, former address and former fiscal year, if changed since last report
Not Applicable

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class of Common Stock	Outstanding as of November 13 , 1997
$ 0.10 par value	27,509,048

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 shorter 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 .

MasTec, Inc.
Index

MasTec, Inc.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In thousands except per share amounts)

	THREE MONTHS ENDED SEPTEMBER 30, (Unaudited)		NINE MONTHS ENDED SEPTEMBER 30, (Unaudited)	
	1997	1996	1997	1996
Revenue	$ 201,117	$ 162,208	$ 500,133	$ 355,842
Costs of revenue	150,992	118,796	364,153	264,699
Depreciation and amortization	5,729	4,197	15,038	10,261
General and administrative expenses	22,077	22,084	63,101	47,603
Operating income	22,319	17,131	57,841	33,279
Interest expense	2,665	3,289	8,413	8,577
Interest and dividend income	393	1,059	1,350	3,192
Other income, net	754	1,076	1,685	1,640
Income from continuing operations before equity in earnings of unconsolidated companies, provision for income taxes and minority interest	20,801	15,977	52,463	29,534
Equity in earnings of unconsolidated companies	961	586	2,277	1,789
Provision for income taxes	6,178	4,789	16,708	9,945
Minority interest	1,752	188	1,813	412
Income from continuing operations	13,832	11,586	36,219	20,966
Discontinued operations:				
Income from discontinued operations (net of applicable income taxes)	46	163	118	110
Gain on disposal of discontinued operations (net of applicable income taxes)	0	0	0	66
Net income	$ 13,878	$ 11,749	$ 36,337	$ 21,142
Pro forma data (2):				
Income from continuing operations before equity in earnings of unconsolidated companies, provision for income taxes and minority interest	20,801	15,977	52,463	29,534
Equity in earnings of unconsolidated companies	961	586	2,277	1,789
Pro forma provision for income taxes (2)	7,865	5,623	19,303	11,143
Minority interest	1,752	188	1,813	412
Discontinued operations	46	163	118	176
Pro forma net income	$ 12,191	$ 10,915	$ 33,742	$ 19,944
Weighted average shares outstanding (1)	28,148	27,011	27,793	26,229
Pro forma earnings per share (2):				
Continuing operations	$ .43	$ .40	$ 1.21	$ .75
Discontinued operations	.00	.00	0.00	.01
	$ .43	$ .40	$ 1.21	$ .76

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

(1) Amounts have been adjusted to reflect the three-for-two stock split declared in February 1997 and shares issued in connection with two acquisitions accounted for under the pooling of interest method.

(2) Provision for income taxes and net income have been adjusted to reflect a tax provision for two acquisitions accounted for under the pooling of interest method which were previously S corporations.

MasTec, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands)

	September 30, 1997	December 31, 1996
ASSETS		
Current assets:		
Cash and cash equivalents	$ 2,588	$ 10,989
Accounts receivable-net and unbilled revenue	294,446	318,967
Notes receivable	682	29,549
Inventories	9,685	5,737
Other current assets	29,265	35,529
Total current assets	336,666	400,771
Property and equipment-at cost	119,208	95,467
Accumulated depreciation	(39,242)	(28,290)
Property and equipment-net	79,966	67,177
Investments in unconsolidated companies	63,125	30,209
Other assets	59,544	12,997
TOTAL ASSETS	$ 539,301	$ 511,154
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current maturities of debt	$ 33,662	$ 39,916
Accounts payable	128,070	166,993
Other current liabilities	41,745	28,651
Total current liabilities	203,477	235,560
Other liabilities	40,691	33,593
Long-term debt	120,956	125,018
Commitments and contingencies		
Stockholders' equity:		
Common stock	2,806	2,780
Capital surplus	97,160	149,083
Retained earnings	80,595	49,070
Accumulated translation adjustment	(1,553)	(802)
Treasury stock	(4,831)	(83,148)
Total stockholders' equity	174,177	116,983
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	$ 539,301	$ 511,154

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

MasTec, Inc.
UNAUDITED CONSOLIDATED STATEMENT OF
STOCKHOLDERS' EQUITY
(In thousands)
for the nine months ended September 30, 1997

	Common Stock				Accumulated		
	Issued Shares	Amount	Capital Surplus	Retained Earnings	Translation Adjustment	Treasury Stock	Total
Balance as previously reported, December 31, 1996	26,435	$ 2,643	$ 149,083	$ 35,728	$ (802)	$ (83,148)	$ 103,504
Acquisitions accounted for as poolings of interest	1,371	137		13,342			13,479
Balance at December 31, 1996	27,806	2,780	149,083	49,070	(802)	(83,148)	116,983
Distributions by Pooled Companies				(4,812)			(4,812)
Net income				36,337			36,337
Cumulative effect of translation					(751)		(751)
Stock issued to employees from treasury stock			92			912	1,004
Stock issued for acquisitions	250	26	6,600				6,626
Stock issued for acquisitions from treasury stock			4,479			1,603	6,082
Stock issued from treasury stock			3,007				3,007
Stock issued for stock dividend from treasury stock			(75,802)			75,802	0
Tax benefit for poolings treated as asset sales for income tax purposes			9,701				9,701
Balance, September 30, 1997	28,056	$ 2,806	$ 97,160	$ 80,595	$ (1,553)	$ (4,831)	$ 174,177

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

MasTec, Inc.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	NINE MONTHS ENDED SEPTEMBER 30,	
	1997	1996
	(Unaudited)	
Cash flows from operating activities:		
Net income	$ 36,337	$ 21,142
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interest	1,813	412
Depreciation and amortization	15,038	10,261
Equity in earnings of unconsolidated companies	(2,277)	(1,789)
Gain on sale of assets	(632)	(205)
Changes in assets and liabilities net of effect of acquisitions and divestitures:		
Accounts receivable-net and unbilled revenue	8,782	20,486
Inventories and other current assets	(924)	(5,742)
Other assets	(922)	(2,754)
Accounts payable and other expenses	(25,976)	3,683
Income and deferred taxes	2,422	(1,111)
Other current liabilities	(884)	1,438
Net assets of discontinued operations	(389)	(195)
Other liabilities	(1,783)	1,405
Net cash provided by operating activities	30,605	47,031
Cash flows from investing activities:		
Cash acquired in acquisitions	1,702	999
Cash paid for acquisitions	(24,423)	(6,164)
Repayment of notes receivable	1,345	440
Capital expenditures	(17,171)	(7,359)
Investments in unconsolidated companies	(4,165)	(1,651)
Proceeds from sale of assets	9,788	9,000
Net cash used in investing activities	(32,924)	(4,735)
Cash flows from financing activities:		
Proceeds from revolving credit facilities	36,704	5,853
Other borrowings	1,728	3,200
Debt repayments	(42,765)	(47,425)
Distributions by pooled companies	(4,812)	(1,821)
Net proceeds from common stock issued from treasury	4,011	178
Financing costs	(587)	0
Net cash used in financing activities	(5,721)	(40,015)
Net (decrease) increase in cash and cash equivalents	(8,040)	2,281
Effect of translation on cash	(361)	(20)
Cash and cash equivalents - beginning of period	10,989	3,084
Cash and cash equivalents - end of period	$ 2,588	$ 5,345
Supplemental disclosures of cash flow information: Cash paid during the period:		
Interest	$ 7,266	$ 8,013
Income taxes	$ 10,437	$ 8,310

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

MasTec, Inc.
UNAUDITED CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(In thousands)

Supplemental disclosure of non-cash investing and financing activities:

	NINE MONTHS ENDED SEPTEMBER 30, 1997	NINE MONTHS ENDED SEPTEMBER 30, 1996
	(Unaudited)	
Acquisitions accounted for under purchase method of accounting:		
Fair value of assets acquired:		
Accounts receivable	$ 12,932	$ 245,940
Inventories	193	2,980
Other current assets	853	10,114
Property	11,999	8,750
Investments in unconsolidated companies	0	9,373
Other assets	1,700	2,105
Total non-cash assets	27,677	279,262
Liabilities	10,873	160,990
Debt	4,364	78,600
Total liabilities assumed	15,237	239,590
Net non-cash assets acquired	12,440	39,672
Cash acquired	1,702	999
Fair value of net assets acquired	14,142	40,671
Excess over fair value of assets acquired	17,624	4,956
Purchase price	$ 31,766	$ 45,627
Note payable issued in acquisitions	$ 130	$ 36,965
Cash paid and common stock issued for acquisitions	21,562	6,169
Contingent consideration	9,895	2,250
Acquisition costs	179	243
Purchase price	$ 31,766	$ 45,627
Property acquired through financing arrangements	$ 413	$ 7,596

In 1997, the Company issued approximately 173,000 shares of Common Stock for domestic acquisitions. Common Stock was issued from treasury stock at a cost of approximately $1.4 million. (See Note 2 for non cash transactions related to MasTec Inepar.)

In July 1997, the Company converted a note receivable and accrued interest thereon totaling $29.0 million into stock of a company. (See Note 3.)

In 1996, the Company's purchase of an additional 3% interest in a cable television operator was financed in part by the sellers for $2.0 million.

In 1996, the Company converted $11.6 million of its 12% Convertible Subordinated Debentures into Common Stock. Common Stock was issued from treasury stock at a cost of $6.1 million.

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 1997

1. CONSOLIDATION AND PRESENTATION

The accompanying unaudited condensed consolidated financial statements of MasTec, Inc. ("MasTec" or the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Rule 10-01 of Regulation S-X. In July and August 1997, Wilde Construction, Inc. and two related companies ("Wilde") and AIDCO, Inc. ("Aidco") and one related company were merged with and into the Company through an exchange of common stock. The mergers were accounted for as poolings of interest. Accordingly, the Company's consolidated financial statements include the results of Wilde and Aidco for all periods presented (see Note 2). The consolidated financial statements do not include all information and notes required by generally accepted accounting principles for complete financial statements and should be read in conjunction with the audited financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1996. The year end condensed balance sheet data was derived from audited financial statements but does not include all disclosures required by generally accepted accounting principles. The financial information furnished reflects all adjustments, consisting only of normal recurring accruals which are, in the opinion of management, necessary for a fair presentation of the financial position and results of operations and financial position for the periods presented. The results of operations are not necessarily indicative of future results of operations or financial position of MasTec.

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 realized gains and losses are reflected in income.

2. ACQUISITIONS

Domestic

In July 1997, the Company completed the acquisition of Wilde which provides telecommunications and cable television infrastructure services in Minnesota, North and South Dakota, Iowa, Nebraska and other bordering states. In August 1997, the Company completed the acquisition of Aidco, a company engaged in the installation and maintenance of voice, data and video local-area networks in the Western and Midwestern states. These acquisitions were consummated through stock-for-stock exchanges in which the Company issued approximately 1,371,000 shares of common stock. The Company has accounted for these mergers under the pooling of interest method. Accordingly, historical financial information has been restated to reflect the mergers as though they occurred as of the earliest period presented. These acquisitions are collectively referred to as the "Pooled Companies".

During the nine months ended September 30, 1997, the Company completed other acquisitions which have been accounted for under the purchase method of accounting and the results of operations of which have been included in the Company's condensed consolidated financial statements from the respective acquisition dates. If the acquisitions had been made at the beginning of 1997 or 1996, pro forma results of operations would not have differed materially from actual results. Acquisitions made in 1997 were Kennedy Cable Construction, Inc., GJS Construction Co. d/b/a Somerville Construction and Shanco Corporation, three contractors servicing multiple systems operators such as Time Warner, Marcus Cable Co. and Cox Communications in a number of states including Alabama, Arizona, Florida, Georgia, New Jersey, New York, North Carolina, South Carolina and Texas; and R.D. Moody and Associates, Inc., B&D Contractors of Shelby, Inc., Tele-Communications Corporation of Virginia, E.L. Dalton & Company, Inc., and R.D. Moody and Associates of Virginia, Inc., five telecommunications and utility contractors with operations primarily in the southeastern and southwestern United States.

Intangible assets of approximately $20 million resulting from domestic business acquisitions are included in other long-term assets and principally consist of the excess acquisition cost over the fair value of the net assets acquired (goodwill). Goodwill associated with domestic acquisitions is being amortized on a straight-line basis over a range of

15-20 years. The Company periodically reviews goodwill to assess recoverability. See Note 3 for goodwill related to the Company's investment in unconsolidated companies.

Separate results of the Pooled Companies for the periods prior to the consummation of the combinations, including a pro forma adjustment for income taxes related to the Subchapter S status of certain Pooled Companies are as follows:

	MasTec	Pooled Companies	Combined
Nine months ended September 30, 1996			
Total revenue.........................	$ 313,575	$ 42,267	$ 355,842
Net income............................	$ 19,606	$ 338	$ 19,944
Nine months ended September 30, 1997			
Total revenue.........................	$ 456,203	$ 43,930	$ 500,133
Net income............................	$ 29,071	$ 4,671	$ 33,742

The direct transaction costs resulting from the mergers were $0.2 million. These costs, which include filing fees with regulatory agencies, legal, accounting and other professional costs, were charged to the combined operations for the quarter ended September 30, 1997.

International

On July 31, 1997, the Company completed its acquisition of 51% of MasTec Inepar S/A-Sistemas de Telecomunicacoes, a newly formed Brazilian telecommunications infrastructure contractor, for $29.4 million in cash payable over eleven months and 250,000 shares of common stock. Goodwill related to this acquisition amounted to $12.1 million is included in other long-term assets and is being amortized over 15 years.

On April 30, 1996, the Company purchased from Telefonica de Espana, S.A. ("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. The Sintel acquisition gave the Company a significant international presence. See Note 5 regarding geographic information.

The following information presents the unaudited pro forma condensed results of operations for the nine months ended September 30, 1996 as if the Company's acquisition of Sintel and certain related transactions had occurred on January 1, 1996. The Sintel acquisition has been accounted for as a purchase under generally accepted accounting principles. Management's estimate of fair value approximated that of the carrying value of the net assets acquired after reflecting a reserve for employee terminations net of deferred taxes. The pro forma results, which include adjustments to increase interest expense resulting from the debt incurred pursuant to the Sintel acquisition ($700,000), offset by the reduction in interest and depreciation expenses resulting from the related transactions ($1.0 million) and a tax expense of 35% is presented for informational purposes only and is 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, 1996.

	Pro forma results of operations for the nine months ended September 30, 1996
Revenue	$ 439,537
Income from continuing operations	$ 22,964
Net income	$ 23,140
Earnings per share:	
Continuing operations	$ .88
Discontinued operations	.00
Net income	$ .88

The pro forma results for the nine months ended September 30, 1996 include special charges incurred by Sintel related to a restructuring plan of $1.4 million, net of tax.

3. INVESTMENTS IN UNCONSOLIDATED COMPANIES

In July 1995, the Company made a $25 million non-recourse term loan to Devono Company Limited, a British Virgin Islands corporation ("Devono"). The loan was 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. ("Conecel"), one of two cellular phone operators in the Republic of Ecuador. In June 1997, the Company converted its loan and accrued interest into the stock of the holding company. In September 1997, the Company entered into an agreement to sell its investments for $20.0 million in cash and Conecel stock valued at $45.0 million. The transaction is expected to close before year end.

In September 1997, the Company agreed to sell 5.5% of its investment in Supercanal Holding S.A.("Supercanal") to Multicanal, S.A. for $20.0 million in cash. The transaction is expected to close before year end.

Goodwill related to the Company's investments in unconsolidated companies amounted to $38.3 million at September 30, 1997 and is being amortized over a period of 17-20 years.

4. DEBT

Debt is comprised of the following (in thousands):

	September 30, 1997	December 31, 1996
Revolving Credit Facility at LIBOR plus 1.25% (6.93 at September 30, 1997)	$ 82,425	0
Fleet Credit Facility at LIBOR plus 2.00% - 2.25% (7.75% - 7.94% at December 31, 1996)	0	$ 46,865
Revolving credit facility, at MIBOR plus 0.30% (6.01% and 7.00% at September 30, 1997 and December 31, 1996, respectively, due November 1, 1998)	14,717	43,613
Other debt denominated in Spanish Pesetas, at interest rates from 6.5% to 8.15%	16,887	11,048
Notes payable for equipment, at interest rates from 7.5% to 8.5% due in installments through the year 2000	14,694	28,607
Notes payable for acquisitions, at interest rates from 7% to 8% due in installments through February 2000	25,895	32,253
Real estate mortgage notes, at interest rates from 8.5% to 8.53%	0	2,548
Total debt	154,618	164,934
Less current maturities	(33,662)	(39,916)
Long-term debt	$ 120,956	$ 125,018

In June 1997, the Company obtained from a group of financial institutions led by BankBoston, N.A. a $125 million revolving credit facility ("Revolving Credit Facility"), maturing on June 9, 2000 to replace the Fleet Credit Facility and certain other domestic debt. As a result of the prepayment of the Fleet Credit Facility, deferred financing costs and a termination fee totaling $690,000 were expensed in the second quarter of 1997.

The Company also has several credit facilities denominated in Spanish 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 offered rate) plus .30%. At September 30, 1997, the Company had $55.8 million (8.3 billion Pesetas) of debt denominated in Pesetas, including $24.2 million remaining of the acquisition debt incurred as a result of 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.

5. OPERATIONS BY GEOGRAPHIC AREAS

The Company's principal source of revenue is the provision of telecommunications infrastructure construction services in the United States, Spain and Brazil. Significant international operations commenced on May 1, 1996 with the acquisition of Sintel and continue to increase with the July 31, 1997 acquisition of MasTec Inepar (see Note 2).

	1997	1996
Revenue		
Domestic	$ 309,787	$ 248,553
International	190,346	107,289
Total	$ 500,133	$ 355,842
Operating income		
Domestic	$ 42,760	$ 22,757
International	15,081	10,522
Total	$ 57,841	$ 33,279

	As of September 30, 1997	As of December 31, 1996
Identifiable assets		
Domestic	$ 209,186	$ 147,065
International	173,290	258,071
Corporate	156,825	106,018
Total	$ 539,301	$ 511,154

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.

6. SIGNIFICANT CUSTOMERS AND CONCENTRATION OF CREDIT RISK

The Company derives a substantial portion of its revenue from the provision of telecommunications infrastructure services to Telefonica and to BellSouth Telecommunications, Inc. ("BellSouth"). For the nine months ended September 30, 1997, approximately 27% and 13% of the Company's revenue was derived from services performed for Telefonica and BellSouth, respectively. For the nine months ended September 30, 1996, the Company derived approximately 28% and 15% of its revenue from services performed for Telefonica and BellSouth, 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.

7. 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 pending 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.

In August 1997, the Company settled its lawsuit with BellSouth arising from certain work performed by a subcontractor of the Company from 1991 to 1993 for nominal consideration.

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.

8. RECENT ACCOUNTING PRONOUNCEMENTS

In June 1997, the FASB issued SFAS No. 130 "Reporting Comprehensive Income" which establishes standards for reporting and display of comprehensive income and its components (revenues, expenses, gains and losses) in a full set of general-purpose financial statements. This statement requires that an enterprise classify items of other comprehensive income by their nature in a financial statement and display the accumulated balance of other comprehensive income separately from retained earnings and additional paid-in capital in the equity section of a statement of financial position. This statement is effective for fiscal years beginning after December 15, 1997.

In June 1997, the FASB issued SFAS No. 131 "Disclosure about Segments of an Enterprise and Related Information" which establishes standards for public business enterprises to report information about operating segments in annual financial statements and requires those enterprises to report selected information about operating segments in interim financial reports issued to shareholders. It also establishes the standards for related disclosures about products and services, geographic areas, and major customers. This statement requires a public business enterprise report financial and descriptive information about its reportable operating segments. The financial information is required to be reported on the basis that it is used internally for evaluating segment performance and deciding how to allocate resources to segments. Operating segments are components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. This statement is effective for financial statements for periods beginning after December 15, 1997.

Management is currently evaluating the requirements of SFAS No. 130 and No. 131 and their applicability to the Company.

ITEM 2

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

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 switching equipment. The Company also provides infrastructure services to electric power companies and other public utilities.

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 50% joint ventures. See Notes 2 and 5 to the Condensed Consolidated Financial Statements for pro forma financial information and geographic information, respectively. The period ended September 30, 1996 includes the results of operation of Sintel from May 1, 1996.

In July 1997, the Company acquired a 51% interest in MasTec Inepar, a Brazilian telecommunications infrastructure construction company. At the time of the acquisition, MasTec Inepar had a backlog of construction contracts of approximately $280.0 million. The period ended September 30, 1997 includes the results of operation of MasTec Inepar from August 1, 1997.

On September 3, 1997, Sintel filed a petition with the Spanish labor authorities to approve a restructuring of its workforce whereby its total workforce would be reduced by 200 employees and another 1,200 employees would be terminated and rehired under a lower cost structure. Management believes that a restructuring of Sintel's labor costs is necessary to permit Sintel to provide services at competitive prices in the future.

In response to the Company's petition, the unionized employees declared work stoppages during the latter part of September 1997 and continued with half day strikes through the first week in October 1997. Although only two half days of work stoppages occurred in the quarter ended September 30, 1997, overall production for the month of September was further impacted by labor slow downs following the filing of the petition at the beginning of the month. The Company expects revenue and income from Sintel to continue to be impacted by Sintel's labor situation until the matter is resolved.

At the time of this filing, management is involved in extensive negotiations with labor representatives, government mediators and representatives from Telefonica. Although the ultimate resolution of this matter is uncertain, management believes that the negotiations will result in an agreement that will allow Sintel to reduce its workforce by an as yet undetermined number. Any agreement is likely to stipulate the number, timing and termination pay requirements for the workforce reduction. While management anticipates a significant reduction in ongoing operating costs to result from these negotiations, the Company recognizes that it services an increasingly competitive telephony industry in the Spanish market and a substantial portion of any savings may be reflected in future bidding activities to Telefonica and other communication service customers.

Results of Operations

Revenue is generated primarily from telecommunications and related infrastructure services. Infrastructure services are provided to telephone companies, public utilities, cable television 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.

Three Months Ended September 30, 1997 vs. Three Months Ended September 30, 1996.

The following table sets forth certain historical consolidated financial data as a percentage of revenue for the three months ended September 30, 1997 and 1996.

	1997	1996
Revenue	100.0%	100.0%
Costs of revenue	75.1%	73.2%
Depreciation and amortization	2.8%	2.6%
General and administrative expenses	11.0%	13.6%
Operating margin	11.1%	10.6%
Interest expense	1.3%	2.0%
Interest and dividend income and other income, net, equity in unconsolidated companies and minority interest	0.0%	1.6%
Income from continuing operations before provision for income taxes (1)	9.9%	10.1%
Provision for income taxes (1)	3.9%	3.5%
Net income (1)	6.1%	6.7%

(1) Certain pooled companies were S corporations prior to their merger. Provision for income taxes and net income as a percentage of revenue have been adjusted to reflect a tax provision as though the pooled companies had been subject to taxation during the entire period.

Revenue increased $38.9 million, or 24.0%, to $201.1 million for the three months ended September 30, 1997 as compared to $162.2 million in the same period in 1996. Revenue from domestic operations increased $29.5 million, or 31.9%, to $122.0 million for the three months ended September 30, 1997 as compared to $92.5 million in the same period in 1996. Domestic growth was generated from acquisitions and internal expansion. Revenue generated by international operations increased $9.4 million, or 13.5%, to $79.1 million in the three months ended September 30, 1997 as compared to $69.7 million in the comparable period of 1996 due primarily to revenue generated by the Company's Brazilian operation ($35.0 million) for the two months ended September 30, 1997. Offsetting the increase in international revenue was a decline in revenue from the Company's Spanish operations of $25.6 million. This decline is primarily due to a 19.6% devaluation in the Spanish peseta when compared to the average rate for 1996 and a decline in production due to the labor situation described above.

Gross profit, excluding depreciation and amortization, increased $6.7 million, or 15.5%, to $ 50.1 million, or 24.9% of revenue, for the three months ended September 30, 1997 from $43.4 million, or 26.8% of revenue, for the three months ended September 30, 1996. Domestic gross margins (gross profit as a percentage of revenue) increased to 29.3% for the three months ended September 30, 1997 from 24.1% in the 1996 period primarily due to certain short-term projects providing more attractive pricing. International gross margins declined to 18.2% for the three months ended September 30, 1997 from 30.2% in the 1996 period. This decline is primarily due to overall lower margins from the newly formed Brazilian operations and lower productivity due to work stoppages and slow downs as a reaction to the Company's petition to reduce its Spanish workforce cost structure. (See Overview.)

Depreciation and amortization increased $1.5 million, or 36.5%, to $5.7 million for the three months ended September 30, 1997 from $4.2 million for the three months ended September 30, 1996. The increase in depreciation and amortization was a result of increased capital expenditures in the latter part of 1996, as well as depreciation and amortization associated with acquisitions. As a percentage of revenue, depreciation and amortization were 2.8% and 2.6% of revenue for 1997 and 1996, respectively.

General and administrative expenses were $22.1 million, or 11.0% of revenue, for the three months ended September 30, 1997 compared to $22.1 million, or 13.6% of revenue, for the three months ended September 30, 1996. The decline in percentage is due to the higher volume of revenue and nominal general and administrative expenses related to the Company's Brazilian operations. Domestic general and administrative expenses increased $3.2 million, or 35%, to $12.3 million, or 10.1% of domestic revenue, for the three months ended September 30, 1997 from $9.1 million, or 9.8% of domestic revenue, primarily due to acquisitions. Included in the 1997 period are bonuses paid to employees of the Pooled Companies of approximately $0.6 million compared to $0.2 million for the 1996 period. Absent the increase in the bonuses by Pooled Companies, general and administrative expenses as a percentage of revenue would have remained constant. International general and administrative expenses decreased $3.1 million, or 24.0%, to $9.8 million, or 12.3% of international revenue, for the three months ended September 30, 1997 from $12.9 million, or 18.6% of international revenue, for the three months ended September 30, 1996. The decrease in international general and administrative expenses in dollar terms was due primarily to the devaluation of the Spanish peseta. In Spanish peseta terms, general and administrative expenses declined 10.0%; however, general and administrative expense as a percent of revenue, increased to 21.4% due to the lower sales volume. Offsetting the increase in peseta terms of the percentage of Spanish general and administrative expenses was a nominal amount of general and administrative expenses associated with the newly formed Brazilian operations.

Operating income increased $5.2 million, or 30.3%, to $22.3 million, or 11.1% of revenue, for the three months ended September 30, 1997 from $17.1 million, or 10.6% of revenue, for the three months ended September 30, 1996.

Interest expense decreased $0.6 million, or 18.2%, to $2.7 million for the three months ended September 30, 1997 from $3.3 million for the three months ended September 30, 1996 primarily due to lower interest costs and average borrowings associated with Sintel's working capital needs and the devaluation of the Spanish peseta.

Provision for income taxes on a pro forma basis (considering the Pooled Companies as C corporations) was $7.9 million, or 37.8% of income from continuing operations before earnings in earnings of unconsolidated companies, income taxes and minority interests for the three months ended September 30, 1997, compared to $5.6 million, or 35.2% for the three months ended September 30, 1996. The increase in the effective tax rate was primarily due to the decreased proportion of income from international operations during the 1997 period.

Net income on a pro forma basis increased $1.3 million, or 11.9%, from $10.9 million in 1996 to $12.2 million in 1997. Net income as a percentage of revenue decreased to 6.1% in 1997 from 6.7% in 1996.

Nine Months Ended September 30, 1997 vs. Nine Months Ended September 30, 1996.

The following table sets forth certain historical consolidated financial data as a percentage of revenue for the nine months ended September 30, 1997 and 1996.

	1997	1996
Revenue	100.0%	100.0%
Costs of revenue	72.8%	74.4%
Depreciation and amortization	3.0%	2.9%
General and administrative expenses	12.6%	13.4%
Operating income	11.6%	9.3%
Interest expense	1.7%	2.4%
Interest and dividend income and other income, net, equity in earnings of unconsolidated companies and minority interest	0.7%	1.8%
Income from continuing operations before provision for income taxes (1)	10.6%	8.7%
Provision for income taxes (1)	3.9%	3.1%
Net income (1)	6.7%	5.6%

(1) Certain Pooled Companies were S corporations prior to their merger. Provision for income taxes and net income as a percentage of revenue have been adjusted to reflect a tax provision as though the Pooled Companies had been subject to taxation during the entire year.

Revenue from domestic operations increased $61.2 million, or 24.6%, to $309.8 million for the nine months ended September 30, 1997 as compared to $248.6 million in the same period in 1996. Domestic growth was generated primarily by acquisitions. Revenue generated by international operations increased $83.0 million, or 77.4%, to $190.3 million in the nine months ended September 30, 1997 as compared to $107.3 million in the comparable period of 1996 due primarily to the inclusion of Sintel's results for the entire period in 1997 compared to five months in the 1996 period and the results of MasTec Inepar for two months ended September 30, 1997. See the quarterly discussion regarding Sintel's revenue.

Gross profit, excluding depreciation and amortization, increased $44.9 million, or 49%, to $136.0 million, or 27.2% of revenue, for the nine months ended September 30, 1997 from $91.1 million, or 25.6% of revenue, for the nine months ended September 30, 1996. The increase in gross profit as a percentage of revenue was due primarily to the performance of certain higher margin domestic jobs during 1997 and domestic cost reductions. Domestic gross margins (gross profit as a percentage of revenue) increased to 29.0% for the nine months ended September 30, 1997 from 24.2% in the 1996 period. International gross margins decreased to 24.2% for the nine months ended September 30, 1997 from 28.8% in the 1996 period due to overall lower margins from the newly formed Brazilian operations and lower productivity in the third quarter from the Spanish operation.

Depreciation and amortization increased $4.8 million, or 47%, to $15.0 million for the nine months ended September 30, 1997 from $10.3 million for the nine months ended September 30, 1996. The increase in depreciation and amortization was a result of increased capital expenditures in the latter part of 1996, as well as depreciation and amortization associated with acquisitions. As a percentage of revenue, depreciation and amortization was 3.0% and 2.9% of revenue for 1997 and 1996, respectively.

General and administrative expenses increased $15.5 million, or 32.6%, to $63.1 million, or 12.6% of revenue, for the nine months ended September 30, 1997 from $47.6 million, or 13.4% of revenue , for the nine months ended September 30, 1996. Domestic general and administrative expenses were $34.2 million, or 11.0% of domestic revenue, for the nine months ended September 30, 1997 compared to $29.0 million, or 11.7% of domestic revenue. The decline as a percentage of domestic revenue is due primarily to the higher revenue volume. The increase in dollar amount of domestic general and administrative expense is due primarily to acquisitions. International general and administrative expenses increased $10.3 million, or 55.4%, to $28.9 million, or 15.2% of international revenue, for the nine months ended September 30, 1997 from $18.6 million, or 17.3% of international revenue, for the nine months ended September 30, 1996. The increase in international general and administrative expenses was due to the inclusion of Sintel's results for the entire 1997 period, compared to only five months during the 1996 period. The decline in terms of international general and administrative expenses as a percentage of international revenue is due to a lower general and administrative expense for the Brazilian operations.

Operating income increased $24.6 million, or 73.8%, to $57.8 million, or 11.6% of revenue, for the nine months ended September 30, 1997 from $33.3 million, or 9.3% of revenue, for the nine months ended September 30, 1996.

Interest expense decreased to $8.4 million for the nine months ended September 30, 1997 from $8.6 million for the nine months ended September 30, 1996 primarily due to the lower interest rates on Spanish and domestic borrowings and the conversion of the Company's 12% Subordinated Convertible Debentures into Common Stock on June 30, 1996. Offsetting the decline was the inclusion of interest cost associated with Sintel's working capital needs for the entire 1997 period compared to five months for the 1996 period.

Provision for income taxes on a pro forma basis was $19.3 million, or 36.8% of income from continuing operations before equity in earnings of unconsolidated companies, taxes and minority interests for the nine months ended September 30, 1997, compared to $11.1 million, or 37.6% for the nine months ended September 30, 1996. The reduction in the effective tax rate was primarily due to the increased proportion of income from international operations during the nine month period in 1997.

Pro forma net income increased $13.8 million, or 69.3%, from $19.9 million in 1996 to $33.7 million in 1997. Pro forma net income as a percentage of revenue increased to 6.7% in 1997 from 5.6% in 1996.

Financial Condition, Liquidity and Capital Resources

The Company's primary liquidity needs are for working capital and to finance acquisitions and capital expenditures. The Company's primary sources of liquidity have been cash flow from operations, borrowings under revolving lines of credit and the proceeds from the sale of investments and non-core assets.

Net cash provided by operating activities for the nine months ended September 30, 1997 was $30.6 million, compared to $47.0 million for the nine months ended September 30, 1996. This decrease was due to an increase in net income to $36.3 million for the nine months ended September 30, 1997 as compared to net income of $21.1 million in the comparative 1996 period which was offset by fluctuations in working capital, particularly the reduction of accounts payable balances and an increase in accounts receivable from Brazilian operations.

Net cash provided by the sale of investments and non-core assets amounted to $9.8 million in the nine months ended September 30, 1997. The Company invested cash, net of cash acquired, in acquisitions and investments in non-consolidated companies totaling $26.9 million during the nine months ended September 30, 1997.

During the nine months ended September 30, 1997, the Company made capital expenditures of $17.2 million, primarily for machinery and equipment used in the production of revenue.

As of September 30, 1997, working capital totaled $133.2 million, compared to working capital of $136.2 million at December 31, 1996 excluding a note receivable that was converted into an equity investment in June 1997 (see Note 3 to the Condensed Consolidated Financial Statements). Included in working capital are net assets of discontinued operations and real estate held for sale totaling $14.7.

In September 1997, the Company agreed to sell a portion of its equity investment in Supercanal Holding, S.A. ("Supercanal"), an Argentine cable television operator, for $20.0 million in cash, and to sell its indirect investment in Consorcio Ecuatoriano de Telecomunicaciones, S.A. ("Conecel"), an Ecuadorian cellular phone company, for $20.0 million in cash and $45.0 million shares of Conecel non-voting common stock. In addition, the Company has agreed to exchange a portion of its remaining 23.3% equity stake in Supercanal for Supercanal preferred stock. The Company will have certain registration rights with respect to the Supercanal preferred stock and the Conecel common stock that it receives in these transactions. These transactions are expected to close before year end.

In September 1997, the Company filed a petition with Spanish labor authorities to approve a work force restructuring. (See Overview.) Sintel's workers engaged in partial work stoppages in protest of this petition. The Company believes that the cost of these partial work stoppages and potential severance costs that could be incurred should all or a portion of the desired workforce reduction be realized will be offset in the future by improvements in operating margins.

The Company continues to pursue a strategy of growth through acquisitions and internal expansion. During the quarter ended September 30, 1997, the Company closed its acquisition of 51% of MasTec Inepar for stock and $29.4 million in cash payable over eleven months. In addition, in connection with its acquisition of Sintel, the Company is required to make payments of 1.8 billion pesetas (approximately $12.1 million) on each of December 31, 1997 and 1998. See Note 2 to the Condensed Consolidated Financial Statements. The Company believes that cash generated from operations, borrowings under its revolving credit facility and proceeds from the sale of investments and non-core assets will be sufficient to finance these payments, as well as the Company's working capital needs and capital expenditures for the foreseeable future. Future acquisitions are expected to be financed from these sources, as well as other external financing sources to the extent necessary, including the issuance of equity securities and additional borrowings.

In June 1997, the Company refinanced its domestic credit facility with a $125 million revolving credit facility provided by a group of banks led by BankBoston, N.A. Borrowings under this facility may be used for domestic acquisitions, working capital, capital expenditures and general corporate purposes. At September 30, 1997, borrowings under this facility totaled $82.4 million, and approximately $39.0 million remained unused and available. See Note 6 to the Condensed Consolidated Financial Statements.

The Company conducts business in several foreign currencies that are subject to fluctuations in the exchange rate relative to the U.S. dollar. The Company does not enter into foreign exchange contracts. It is the Company's intent to utilize foreign earnings in the foreign operations for an indefinite period of time and only repatriate those earnings when it is considered cost effective. 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.

PART II - OTHER INFORMATION
SEPTEMBER 30, 1997

Item 1. Legal Proceedings.

See Note 7 to the Condensed Consolidated Financial Statements.

Item 2. Changes in Securities.

None.

Item 3. Defaults upon Senior Securities.

None.

Item 4. Submission of Matters to a Vote of Security-Holders.

None.

Item 5. Other Information.

None.

Item 6. Exhibits and Reports on Form 8-K.

Exhibit 27.1 Article 5 - Financial Data Schedules.

(a) Report on Form 8-K

On August 4, 1997, the Company filed a Form 8-K current report for event of August 1, 1997 with the Securities and Exchange Commission reporting information under Item 5 thereof regarding the Company's acquisition of Wilde Construction, Inc., E.L. Dalton, Inc, Tele-Communications of Virginia, Inc. and Somerville Construction.

On September 10, 1997, the Company filed a Form 8-K current report for event of August 27, 1997 with the Securities and Exchange Commission reporting information under Item 5 thereof regarding the Company's partnership with Macri Group, its filing of a labor petition in Spain, and its acquisition of AIDCO, Inc.

On October 6, 1997, the Company filed Form 8-K for event of the same day regarding acquisition of 51% of MasTec Inepar S/A-Sistemas de Telecomunicacoes, a newly formed infrastructure contractor.

On October 3, 1997, the Company filed a Form 8-K current report for event of September 26, 1997 regarding work stoppages at Sintel in response to Sintel's application to the Spanish labor authorities to restructure Sintel's work force.

SIGNATURES

Pursuant to the requirements 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.

MasTec, Inc.
Registrant

Date: November 14, 1997

/s/ Edwin D. Johnson

Edwin D. Johnson
Senior Vice President-

Chief Financial Officer
(Principal Financial and
Accounting Officer)

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MasTec, Inc.
1,000
U.S. Dollars

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JAN-1-1997
SEP-1-1997
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