



## MasTec Announces Record Quarterly Results Third Quarter Highlights

October 25, 2000

- \* North American revenue increased to \$365.5 million,
- \* North American net income increased 52.9% over last year and 39.2% sequentially, □
- \* Earnings per share increased 35.0% to \$0.54 from \$0.40 in the same quarter last year for North American operations,
- \* Earnings per share, excluding amortization, was \$0.58 for the third quarter of 2000, compared to \$0.42 for 1999 for North American operations, □
- \* Consolidated revenue up 27% and net income up 46%.
- \* Datacom services revenue up 31% over last year and up 33% sequentially, with 14.8% operating margins.

MIAMI, Oct. 25 /PRNewswire/ -- MasTec, Inc. (NYSE: MTZ) reported North American net income of \$26.3 million or \$0.54 per share on revenue of \$365.5 million for the three months ended September 30, 2000, compared to net income of \$17.2 million or \$0.40 per share on revenue of \$291.2 million for the same period in 1999, an increase of 52.9% in net income and 25.5% in revenue over the same period last year. The 2000 results exclude severance charges of \$1.7 million (before taxes).

"We set out to deliver, and we did," said Joel-Tomas Citron, President and Chief Executive Officer. "Our performance this quarter reflects our team members' ongoing commitment to deliver exceptional results to our shareholders and superior services to our clients. We continue to focus on our end to end solution and our ability to cross sell additional services generating strong growth within our existing client base."

For the third quarter of 2000, MasTec reported the following for its North American operations:

Revenue from our top 10 clients accounted for 48% of North American revenue, compared to 36% in 1999, a 33% growth in revenue from our top 10 clients. Major clients were: BellSouth 8%, Williams Communications 7%, and Qwest/US West, Sprint, Telergy, Level 3 and Comcast each 5%. Additionally, revenue from previously announced strategic alliances accounted for 4 % of revenue. Backlog at September 30, 2000 was \$1.5 billion substantially all of which will be performed in the next 18 months.

External Network Services revenue was \$284.7 million, up 29.1% from \$220.6 million in the same quarter last year and up 36.2% sequentially due to increased growth in local loop and broadband services. Operating margin was 15.3% in 2000 and 15.8% in the same quarter last year. Margin in 2000 was impacted by unusually wet weather conditions. Sequentially, margins increased by 60 basis points from the second quarter of 2000 due to improved asset utilization.

Internal Network Services revenue was \$46.9 million up 46.6% from \$32.0 million in the same quarter last year and up 15.8% sequentially due to increased growth in central office and design services. Operating margin was 11.3% , up 470 basis points from 6.6% in the same quarter last year and in line with the second quarter of 2000 despite start-up costs in network monitoring services.

Energy Network Services revenue was \$33.9 million down 12.2% from \$38.6 million in the same quarter last year and down 8.1% sequentially due to lower productivity resulting from poor weather conditions in the east coast. Operating margin was 7.8% , up 130 basis points from 6.5% percent in the same quarter last year and down 230 basis points from the second quarter of 2000 due to lower productivity as a result of wet weather.

As part of a management review process, the Company adjusted its personnel in certain markets, resulting in a \$1.7 million (before taxes) severance charge.

Our Brazilian operations reported revenue of \$16.8 million up 69.7% compared to \$9.9 million for the same quarter last year and up 48.7%, sequentially and operated at break even for each period. The Company reported that a chief operating officer for the division had been named.

The Company's consolidated quarterly net income was \$26.1 million or \$0.53 per share (based on 49.0 million diluted shares) on revenue of \$382.3 million compared to net income of \$17.1 million or \$0.40 per share (based on 43.1 million diluted shares) on revenue of \$301.1 million for the same period in 1999.

In the first nine months of 2000, cash and cash equivalents plus short- term investments increased by \$25.7 million to \$53.3 million, primarily due to proceeds from a stock offering, sales of non-core assets and cash flow from operations.

Cash flow from operating activities was \$17.4 million for the three months ended September 30, 2000 compared to \$14.0 million in the same quarter last year, excluding collections from a client with extended payment terms. For the quarter ended September 30, 2000, North American days sales outstanding improved to 73 days.

Capital expenditures totaled \$12.5 million for the quarter bringing the year to date amount to \$40.7 million compared to \$21.0 million for the same quarter last year or \$57.7 for the nine months ended September 30, 1999. The reduction in capital expenditures when compared to 1999 was due to better utilization of capital assets.

The income tax rate was 41% for the quarter, which is expected to be the tax rate in the fourth quarter and for 2001 compared to 41.5% for the same period last year.

At the end of the third quarter, our debt-to-total capital was 30% compared to 52% at the end of 1999.

"Our outlook for the fourth quarter is positive," said Mr. Citron. "We also expect, revenue growth of 20-25% for 2001 with earnings growth outpacing revenue growth. We believe our major clients will continue capital spending, especially in the area of broadband, local loops, last mile hops and central offices."

Members of the executive team will hold a conference call on Thursday, October 26, at 11 a.m. (EST) to discuss the Company's performance. The conference call number is 913-981-4913. Please dial in to the teleconference 10-15 minutes in advance. A conference call replay will be available from October 26 through November 11 by dialing 719-457-0820, confirmation code 658368. Additionally, the call will be webcasted. Please visit our website at [www.mastec.com](http://www.mastec.com), investor relations section and click the button to listen to MasTec's Earnings Conference Call.

Please visit MasTec's Investor Relations web page at [http://www.mastec.com/frame\\_investor.asp](http://www.mastec.com/frame_investor.asp) for financial sections of the press release. These sections may be downloaded into Excel for your convenience in analyzing Company data. Faxed copies of the financial sections are available by calling toll free 1-877-MASTEC1.

MasTec is the largest end-to-end communications and energy infrastructure service provider in North America. MasTec <[www.mastec.com](http://www.mastec.com)> designs, builds, installs and maintains internal and external networks supporting the Internet, Internet-related applications, e-commerce and other communications and energy facilities for leading telecommunications, cable television, energy and Fortune 500 companies.

This press release and any accompanying documents contain or may contain forward-looking statements, such as statements regarding MasTec's future growth and profitability, growth strategy, and anticipated trends in the industries and economies in which MasTec operates. These forward-looking statements are based on MasTec's current expectations and are subject to a number of risks, uncertainties, and assumptions. Should one or more of these risks or uncertainties materialize, or should the underlying assumptions prove incorrect, actual results may differ significantly from results expressed or implied in any forward-looking statements made by MasTec in this press release. These and other risks are detailed in this press release or documents filed by MasTec with the Securities and Exchange Commission. MasTec does not undertake any obligation to revise these forward-looking statements to reflect future events or circumstances.

CONSOLIDATED BALANCE SHEETS  
(In thousands)

	September 30, 2000 (Unaudited) □	December 31, 1999
Assets □		
Current Assets:		
Cash and short-term investments	\$ 53,322	\$27,635
Accounts receivable, unbilled revenue and retainage, net	360,029	251,576
Inventories	16,927	14,264
Other current assets	33,075	34,634
Total current assets	463,353	328,109
Assets held for sale	25,314	53,639
Property and equipment, net	160,340	153,527
Investment in unconsolidated companies	17,687	18,006
Intangibles, net	233,716	151,556
Other assets	36,948	23,572
Total assets	\$937,358	\$728,409
Liabilities and Shareholders' Equity		
Current Liabilities:		
Current maturities of debt	\$8,374	\$12,200

Accounts payable	98,532	74,408
Other current liabilities	100,840	71,882
Total current liabilities	207,746	158,490
Other liabilities	42,116	45,628
Long-term debt	200,476	267,458
Commitments and contingencies		
Shareholders' equity:		
Common stock	4,759	4,235
Capital surplus	339,713	167,387
Retained earnings	159,111	101,203
Foreign currency translation adjustments	(16,563)	(15,992)
Total shareholders' equity	487,020	256,833
Total liabilities and shareholders' equity	\$937,358	\$728,409

CONSOLIDATED STATEMENTS OF CASH FLOW  
(In thousands)  
(Unaudited) □

	Nine Months Ended September 30,	
	2000	1999
Cash flows from operating activities:		
Net income	\$57,908	\$33,675
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	48,810	40,551
Minority interest	41	2,000
(Gain) loss on sale of assets	(4,764)	3,488
Changes in assets and liabilities net of effect of acquisitions:		
Accounts receivables, unbilled revenue and retainage, net	(82,779)	(16)
Inventories and other current assets	(14,807)	(11,826)
Other assets	(19,357)	4,204
Accounts payable	11,595	5,802
Other current liabilities	20,199	(3,549)
Other liabilities	(10,054)	1,324
Net cash provided by operating activities	6,792	75,653
Cash flows from investing activities:		
Capital expenditures	(40,734)	(57,659)
Cash paid for acquisitions (net of cash acquired) and contingent consideration	(50,352)	(13,311)
Repayments of notes receivable	1,100	18,667
Distribution to joint venture partner	(4,900)	---
Proceeds from assets held for sale	53,613	7,657
Net cash used in investing activities	(41,273)	(44,646)
Cash flows from financing activities:		
Net, Repayments, revolving credit facilities	(74,663)	(22,105)
Net proceeds from common stock issued	136,004	3,343
Net cash provided by (used in) financing activities	61,341	(18,762)
Net increase in cash and cash equivalents	26,860	12,245
Effect of translation on cash	(1,173)	(3,453)
Cash and cash equivalents		

- beginning of period	27,635	19,864
Cash and cash equivalents		
- end of period	\$53,322	\$28,656

SOURCE MasTec, Inc.

Web site: <http://www.mastec.com>

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