



MasTec Issues Updated Second Quarter 2014 Guidance

June 1, 2014

CORAL GABLES, Fla., June 1, 2014 /PRNewswire/ -- MasTec, Inc. (NYSE: MTZ) today announced that it expects second quarter results to be negatively impacted by new and unexpected delays in wireless project spending activity as well as weaker than expected oil and gas segment results.

MasTec now anticipates reduced levels of second quarter wireless project revenues, as various planned projects have recently been deferred and or reduced in scope. While the Company still expects wireless revenue levels to grow in the second quarter when compared to last year, growth levels are expected to be lower than previously expected, impacting anticipated second quarter communication segment revenues by approximately \$45-\$50 million. These unexpected revenue declines are anticipated to significantly impact segment results reflecting the effect of reduced absorption of non-variable indirect and overhead costs. The Company anticipates that additional changes to levels of second half 2014 wireless project spending may also occur, although the level of potential changes cannot yet be estimated. The Company will provide further guidance on any potential impacts of these items once they are determinable.

The Company is also expecting weaker oil and gas segment results due to project start up delays during the quarter as well as pricing pressure on current quarter short-term, mid-stream pipeline activity. While the Company anticipates oil and gas revenue levels will grow in the second quarter when compared to last year, growth levels are expected to be lower than previously estimated, impacting anticipated second quarter oil and gas segment revenues by approximately \$25-\$30 million.

For the second quarter of 2014, the Company now expects revenue of approximately \$1.1 billion. Second quarter 2014 continuing operations adjusted EBITDA, a non-GAAP measure, is estimated at \$105 million and continuing operations adjusted diluted earnings per share, a non-GAAP measure, is estimated at \$0.40. Given the limited information available at this time, the Company is not currently in a position to provide further information regarding full year 2014 guidance. The Company will provide further information on full year guidance in its upcoming second quarter earnings release.

Jose Mas, MasTec's CEO, noted, "While we are being negatively impacted by real-time, short-term changes in our wireless business, our long-term outlook remains extremely positive. Across all of our business, we are enjoying very active levels of opportunities which we believe will provide substantial growth in the markets we serve. The fundamentals that will drive this growth remain in place."

Management will hold a conference call to discuss this information on Monday, June 2, 2014 at 9:00 a.m. Eastern time. The call-in number for the conference call is (913) 312-1455 and the replay number is (719) 457-0820, with a pass code of 1627730. The replay will be available for 30 days. Additionally, the call will be broadcast live over the Internet and can be accessed and replayed through the Investors section of the Company's website at www.mastec.com.

Supplemental Disclosures and Reconciliation of Non-GAAP Disclosures - Unaudited (In millions, except for percentages and per share amounts)

	Guidance for the Three Months Ended June 30, 2014 Est.	For the Three Months Ended June 30, 2013
EBITDA and Adjusted EBITDA Reconciliation – Continuing Operations		
Net income from continuing operations	\$ 32	35.5
Interest expense, net	13	11.8
Provision for income taxes	20	21.8
Depreciation and amortization	36	33.6
EBITDA - continuing operations	\$ 101	102.7
Non-cash stock-based compensation expense	4	4.3
Sintel legal settlement	-	2.8
Adjusted EBITDA - continuing operations	\$ 105	109.8

EBITDA and Adjusted EBITDA Margin Reconciliation – Continuing Operations

Net income from continuing operations	2.9%	3.6%
Interest expense, net	1.1%	1.2%
Provision for income taxes	1.8%	2.3%
Depreciation and amortization	3.3%	3.4%
EBITDA margin - continuing operations	9.1%	10.5%
Non-cash stock-based compensation expense	0.4%	0.4%
Sintel legal settlement	-	0.3%
Adjusted EBITDA margin - continuing operations	9.5%	11.2%

	Guidance for the Three Months Ended June 30, 2014 Est.	For the Three Months Ended June 30, 2013
Adjusted Net Income from Continuing Operations and Adjusted Diluted EPS – Continuing Operations Reconciliation		
Adjusted Net Income from Continuing Operations Reconciliation		
Net income from continuing operations	\$ 32	35.5
Non-cash stock-based compensation expense, net of tax	3	2.6
Sintel legal settlement, net of tax	-	1.7
Adjusted net income from continuing operations	\$ 35	39.9

	Guidance for the Three Months Ended June 30, 2014 Est.	For the Three Months Ended June 30, 2013
Adjusted Diluted EPS Reconciliation - Continuing Operations		
Diluted earnings per share – continuing operations	\$ 0.37	0.42
Non-cash stock-based compensation expense, net of tax	0.03	0.03
Sintel legal settlement, net of tax	-	0.02
Adjusted diluted earnings per share - continuing operations	\$ 0.40	0.47

MasTec, Inc. is a leading infrastructure construction company operating mainly throughout North America across a range of industries. The Company's primary activities include the engineering, building, installation, maintenance and upgrade of energy, utility and communications infrastructure, such as: electrical utility transmission and distribution; natural gas and petroleum pipeline infrastructure; wireless, wireline and satellite communications; power generation, including renewable energy infrastructure; and industrial infrastructure. MasTec's customers are primarily in these industries. The Company's corporate website is located at www.mastec.com. Jose Mas, CEO of MasTec, has led the Company since April of 2007.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act. These statements are based on management's current expectations and are subject to a number of risks, uncertainties, and assumptions, including the effect of economic downturns on demand for our services, reduced capital expenditures by our customers, reduced financing availability, customer consolidation and technological and regulatory changes in the industries we serve; market conditions, technological developments and regulatory changes that affect us or our customers' industries; trends in electricity, oil, natural gas and other energy source prices; our ability to accurately estimate the costs associated with our fixed price and other contracts, including any material changes in estimates for completion of projects, and performance on such projects; customer disputes related to our performance of services; disputes with, or failures of, our subcontractors to deliver agreed-upon supplies or services in a timely fashion; any material changes in estimates for legal costs or case settlements or adverse determinations on any claim, lawsuit or proceeding; our ability to replace non-recurring projects with new projects; the timing and extent of fluctuations in geographic, weather, equipment and operational factors affecting the industries in which we operate; our ability to attract and retain qualified personnel, key management and skilled employees, including from acquired businesses, and our ability to enforce any noncompetition agreements, integrate acquired businesses within expected timeframes and achieve the revenue, cost savings and earnings levels from such acquisitions at or above the levels projected; any exposure related to divested businesses; any exposure resulting from system or information technology interruptions or data security breaches; the impact of U.S. federal, local or state tax legislation and other regulations affecting renewable energy, electricity prices, electrical transmission, oil and gas production, broadband and related projects and expenditures; the effect of state and federal regulatory initiatives, including costs of compliance with existing and future environmental requirements; increases in fuel, maintenance, materials, labor and other costs; fluctuations in foreign currencies; risks associated with operating in international

markets, which could restrict our ability to expand globally and harm our business and prospects or any failure to comply with laws applicable to our foreign activities; the highly competitive nature of our industry; our dependence on a limited number of customers; the ability of our customers, including our largest customers, to terminate or reduce the amount of work, or in some cases, the prices paid for services on short or no notice under our contracts; the impact of any unionized workforce on our operations, including labor availability and relations; liabilities associated with multi-employer pension plans, including underfunding and withdrawal liabilities, for our operations that employ unionized workers; the adequacy of our insurance, legal and other reserves and allowances for doubtful accounts; restrictions imposed by our credit facility, senior notes, convertible notes and any future loans or securities; our ability to obtain performance and surety bonds; the outcome of our plans for future operations, growth and services, including business development efforts, backlog, acquisitions and dispositions; any dilution or stock price volatility that shareholders may experience in connection with shares we may issue as consideration for earn-out obligations or as purchase consideration in connection with past or future acquisitions, or as a result of conversions of convertible notes or other stock issuances; our ability to settle conversions of our convertible notes in cash due to contractual restrictions, including those contained in our credit facility, and the availability of cash; as well as other risks detailed in our filings with the Securities and Exchange Commission. Actual results may differ significantly from results expressed or implied in these statements. We do not undertake any obligation to update forward-looking statements.

SOURCE MasTec, Inc.

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