

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): December 31, 1998

MASTEC, INC.
(Exact name of registrant as specified in its charter)

| | | |
|-----------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------|
| Florida ----- (State or other jurisdiction of incorporation) | 0-3797 ----- (Commission File Number) | 65-0829355 ----- (I.R.S. Employer Identification No.) |
|-----------------------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------|

| | |
|----------------------------------------------------------------------------------------------|-----------------------------------|
| 3155 N.W. 77th Avenue Miami, Florida ----- (Address of principal executive offices) | 33122-1205 ----- (Zip code) |
|----------------------------------------------------------------------------------------------|-----------------------------------|

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

Not Applicable

(Former name or former address, if changed since last report)

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Item 2. Disposition of Assets

Pursuant to a Stock Purchase and Sale Agreement dated as of December 30, 1998, among MasTec, Inc. (the "Company") and a group of investors (the "Buyer"), the Company sold 87% of its Spanish subsidiary, Sistemas e Instalaciones de Telecomunicacion, S.A. ("Sintel"), which includes operations in Spain, Argentina, Chile, Colombia, Peru, Puerto Rico and Venezuela, effective as of December 31, 1998. The investor group included the chief executive officer of Sintel and a member of its Board of Directors. In addition, the Company received the right to sell its remaining 13% interest to the investors under certain circumstances at fixed prices on December 31, 1999 and 2000. The Company also received tag along rights to include its 13% interest in any public or private sale of Sintel. Jorge Mas, the Company's Chairman and Chief Executive Officer, will remain the Chairman of the Board of Sintel until the earlier of the sale of the Company's remaining 13% interest or December 31, 2000. The terms of the transaction were established through arm's length negotiation.

The Company received \$919,000 (130.5 million pesetas at an exchange rate of 142 pesetas to the dollar) on the date of closing and the balance of \$26.3 million (3.7 billion pesetas) is payable in four equal monthly installments with the last payment due on April 30, 1999. The Company expects to report a loss on this transaction in the fourth quarter of 1998 to the extent of Sintel's earnings recognized in the fourth quarter. Proceeds from the sale are expected to be used for general corporate purposes, including debt reduction and further development of the Company's business in its core North American operations. The sale also includes the remaining indebtedness to Telefonica, S.A. for the purchase of Sintel totalling \$25.4 million (3.6 billion pesetas).

Item 7. Financial Statements and Exhibits

(b) Unaudited Pro forma financial information:

The Company's unaudited pro forma financial statements give effect to the sale of Sintel as if such transaction had occurred for balance sheet purposes on September 30, 1998 and for income statement purposes as of January 1, 1997. The pro forma information is not necessarily indicative of the results that would have been reported had such events actually occurred on the dates specified, nor is it indicative of the Company's future results.

MASTEC, INC.
 PRO FORMA BALANCE SHEET AT SEPTEMBER 30, 1998
 (In thousands)

| | Historical | | Pro forma Adjustments | Pro forma Consolidated Without Sintel |
|---------------------------------------------------|-------------------|-------------------|--------------------------|------------------------------------------------|
| | Consolidated | Sintel | | |
| ASSETS | | | | |
| Current assets: | | | | |
| Cash and cash equivalents | \$ 14,283 | \$ 2,706 | | \$ 11,577 |
| Accounts receivable-net and unbilled revenue | 426,257 | 119,600 | 26,848 (1)(3) | 333,505 |
| Inventories | 16,104 | 2,774 | | 13,330 |
| Other current assets | 37,355 | 19,087 | | 18,268 |
| Total current assets | 493,999 | 144,167 | 26,848 | 376,680 |
| Property and equipment-net | 145,632 | 5,270 | | 140,362 |
| Investments in unconsolidated companies | 69,316 | 28,807 | 3,103 (1) | 43,612 |
| Other assets | 185,417 | 10,517 | | 174,900 |
| TOTAL ASSETS | \$ 894,364 | \$ 188,761 | \$ 29,951 | \$ 735,554 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | | | |
| Current liabilities: | | | | |
| Current maturities of debt | \$ 77,924 | \$ 67,604 (4) | | \$ 10,320 |
| Accounts payable | 197,113 | 75,269 | | 121,844 |
| Other current liabilities | 70,237 | 4,469 (4) | 6,750 (2) | 72,518 |
| Total current liabilities | 345,274 | 147,342 | 6,750 | 204,682 |
| Other liabilities | 42,069 | 16,968 | | 25,101 |
| Long-term debt | 280,872 | 584 | | 280,288 |
| Shareholders' equity | 226,149 | 23,867 | 23,201 (3) | 225,483 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | \$ 894,364 | \$ 188,761 | \$ 29,951 | \$ 735,554 |

MASTEC, INC.
 PRO FORMA STATEMENT OF INCOME FOR PERIOD ENDED DECEMBER 31, 1997
 (In thousands, except per share amounts)

| | Historical | | Pro forma Adjustments | Pro forma Consolidated Without Sintel |
|-------------------------------------------------------------------------------------------------------------------|--------------|------------|--------------------------|------------------------------------------------|
| | Consolidated | Sintel | | |
| Revenue | \$ 659,439 | \$ 207,209 | | \$ 452,230 |
| Costs of revenue | 496,230 | 152,892 | | 343,338 |
| Depreciation and amortization | 23,465 | 2,616 | | 20,849 |
| General and administrative expenses | 82,261 | 39,120 | | 43,141 |
| Operating Income | 57,483 | 12,581 | | 44,902 |
| Interest expense | 11,541 | 4,946 | | 6,595 |
| Interest and dividend income | 1,783 | 1,016 | | 767 |
| Other income, net | 8,252 | 547 | | 7,705 |
| Income before equity in earnings of unconsolidated companies, provision for income taxes and minority interest | 55,977 | 9,198 | | 46,779 |
| Provision for income taxes | 20,864 | 3,268 | | 17,596 |
| Equity in earnings of unconsolidated companies | 2,897 | 2,280 | | 617 |
| Minority interest | (3,346) | (161) | | (3,185) |
| Net income | \$ 34,664 | \$ 8,049 | | \$ 26,615 |
| Weighted average common shares outstanding | 26,460 | | | 26,460 |
| Basic Earnings per share | \$ 1.31 | | | \$ 1.01 |
| Weighted average common shares outstanding | 27,019 | | | 27,019 |
| Diluted earnings per share | \$ 1.28 | | | \$ 0.99 |

MASTEC, INC.
 PRO FORMA STATEMENT OF INCOME FOR PERIOD ENDED SEPTEMBER 30, 1998
 (In thousands, except per share amounts)

| | Historical | | Pro forma Adjustments | Pro forma Consolidated Without Sintel |
|------------------------------------------------------------------------------------------------------------------------------------|--------------|------------|--------------------------|------------------------------------------------|
| | Consolidated | Sintel | | |
| Revenue | \$ 720,807 | \$ 151,409 | | \$ 569,398 |
| Costs of revenue | 557,707 | 118,212 | | 439,495 |
| Depreciation and amortization | 30,994 | 1,770 | | 29,224 |
| General and administrative expenses | 99,406 | 37,585 | | 61,821 |
| Operating Income | 32,700 | (6,158) | | 38,858 |
| Interest expense | 19,916 | 3,395 | | 16,521 |
| Interest and dividend income | 6,010 | 520 | | 5,490 |
| Other income, net | 2,467 | 1,797 | | 670 |
| Income (loss) before provision (benefit) for income taxes, equity in earnings of unconsolidated companies and minority interest | 21,261 | (7,236) | | 28,497 |
| Provision (benefit) for income taxes | 9,769 | (1,586) | | 11,355 |
| Equity in earnings of unconsolidated companies | 1,558 | 1,149 | | 409 |
| Minority interest | (2,344) | (323) | | (2,021) |
| Net income (loss) | \$ 10,706 | \$ (4,824) | | \$ 15,530 |
| Weighted average common shares outstanding | 27,640 | | | 27,640 |
| Basic Earnings per share | \$ 0.39 | | | \$ 0.56 |
| Weighted average common shares outstanding | 28,010 | | | 28,010 |
| Diluted earnings per share | \$ 0.38 | | | \$ 0.55 |

Notes to Unaudited Pro forma Balance Sheet and Income Statements

- (1) Reflects the gross proceeds of \$27.2 million (3.9 billion pesetas) from the sale of the Company's Spanish subsidiary. The sale represents an 87% interest in Sintel of which \$919,000 (130.5 million pesetas) was received at closing and \$26.3 million (3.7 billion pesetas) is to be paid in four equal installments of \$6.6 million (934.8 million pesetas) through April 30, 1999. The remaining 13% is recorded at cost at \$3.1 million.
- (2) To adjust for income taxes payable related to the sale. Income taxes were computed using a basis of \$10.3 million.
- (3) To adjust shareholders' equity for the settlement of intercompany accounts and the effect of adjustment in notes 1 and 2 above.
- (4) The balance represents working capital debt and original seller financing of \$24.1 million provided by Telefonica, S.A. and accrued interest thereon of \$4.5 million.

SIGNATURES

Pursuant to the requirement 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.

Date: January 14, 1999

MasTec, Inc.

By: /s/ Carmen M. Sabater
Carmen M. Sabater
Senior Vice President-
Director of Finance
(Principal Financial
and Accounting Officer)