

FORM 8-K/Amendment No. 1

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

Date of report (Date of earliest event reported) April 30, 1996

MASTEC, INC.

(Exact Name of Registrant as Specified in Charter)

Delaware	0-3797	59-1259279
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(IRS Employer Identification No.)
3155 N.W. 77th Avenue, Miami, Florida		33122-0000
(Address of Principal Executive Offices)		(Zip Code)
Registrant's telephone number, including area code: (305) 599-1800		
8600 N.W. 36th Street, Miami, Florida		33166-0000
(Former Name or Former Address, if Changed Since Last Report)		

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AUDITORS' REPORT ON FINANCIAL STATEMENTS

To the Shareholders
of Sintel, S.A.:

We have audited the accompanying consolidated balance sheets of SINTEL, S.A. AND SUBSIDIARIES as of December 31, 1995, and 1994, the related consolidated statements of income, and changes in shareholders' equity for each of the three years in the period ended December 31, 1995, and the cash flows for each of the two years in the period ended December 31, 1995 all expressed in Spanish Pesetas. These financial statements are 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 general 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 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 financial position of Sintel, S.A. and subsidiaries as of December 31, 1994 and 1995, and the results of their operations for each of the three years in the period ended December 31, 1995 in conformity with generally accepted accounting principles in the United States.

Madrid, Spain
February 26, 1996

Sintel, S.A. and Subsidiaries
Balance sheets as of December 31, 1995 and 1994

Currency - Thousands of Pesetas	Consolidated Group	
ASSETS	1995	1994
A) DUE FROM SHAREHOLDERS FOR UNCALLED CAPITAL	-	42,126
B) LONG TERM ASSETS	5,698,912	6,131,970
I. Intangible assets	111,107	3,927
Lease hold investments	98,951	-
Other intangible assets	39,940	8,764
Accumulated amortization	(27,784)	(4,837)
II. Fixed assets (Note 6)	2,204,842	2,516,120
Land and buildings	722,251	690,625
Technical installations and machinery	888,181	998,091
Furniture	442,829	422,443
Computer hardware	559,352	817,619
Tools	1,065,920	997,039
Vehicles	1,364,289	1,360,075
Meter-reading equipment	1,407,954	1,492,365
Accumulated depreciation	(4,245,934)	(4,262,137)
III Investments (Note 7)	3,382,963	3,611,923
Holdings carried by the equity method (Note 5)	238,929	412,532
Other investments	9,932	256,289
Loans to Telefonica Group companies (Note 18)	2,035,445	2,134,122
Other loans	827,472	672,233
Prepaid taxes (Note 15)	839,493	661,468
Long-term deposits and financial guarantees	36,569	57,580
Allowances	(604,877)	(582,301)
C) DEFERRED EXPENSES	121,435	31,196

Sintel, S.A. and Subsidiaries
Balance sheets as of December 31, 1995 and 1994

Currency - Thousands of Pesetas	Consolidated Group	
ASSETS	1995	1994
D) CURRENT ASSETS	33,856,022	33,083,281
I. Inventories (Note 8)	3,956,706	4,205,446
Inventories	3,156,339	3,063,187
Advances	851,522	1,200,751
Allowances	(51,155)	(58,492)
II. Accounts receivable (Note 9)	28,314,418	25,330,437
Customer receivables	3,585,674	8,538,227
Receivable from Group companies, Telefonica (Note 18)	21,269,306	16,116,345
Receivable from associated companies, Telefonica Group (Note 18)	3,040,219	-
Receivable from associated companies, Sintel Group (Note 18)	3,391	17,326
Sundry accounts receivable	423,664	715,592
Employee receivables	209,904	211,794
Taxes receivables (Note 15)	359,860	512,689
Allowances for doubtful accounts	(577,600)	(781,536)
III Short-term investments	1,062,594	2,955,358
Loans to Telefonica group companies (Note 18)	407,513	2,675,833
Loans to Sintel group and associated companies (Note 18)	90,734	310,548
Other loans	535,543	268,285
Short-term deposits and guarantees provided	28,804	8,126
Allowances (Note 18)	-	(307,434)
IV. Cash	395,334	286,853
V. Prepaids expenses	126,970	305,187
TOTAL ASSETS (A+B+C+D)	39,676,369	39,288,573
	=====	=====

The accompanying Notes 1 to 20 are an integral part of these consolidated balance sheets.

Sintel, S.A. and Subsidiaries
Balance sheets as of December 31, 1995 and 1994

Currency - Thousands of Pesetas	Consolidated Group	
SHAREHOLDERS' EQUITY AND LIABILITIES	1995	1994
A) SHAREHOLDERS' EQUITY (Note 10)	2,243,876	2,438,208
I. Share capital	3,100,000	1,100,000
II. Other reserves	260,046	1,745,187
Unrestricted reserves	4,062,334	4,253,434
Restricted reserves	321,190	321,190
Prior years' losses	(4,123,478)	(2,829,437)
III Reserves at companies consolidated by the global integration method	883,427	534,973
IV. Reserves at companies carried by the equity method	11,313	(185,732)
V. Translation differences	(27,401)	19,997
Companies consolidated by the global integration method	(23,527)	22,184
Companies carried by the equity method	(3,874)	(2,187)
VI. Loss	(1,983,509)	(776,217)
Consolidated loss	(1,829,823)	(442,725)
Income attributed to minority interests	(153,686)	(333,492)
B. MINORITY INTERESTS (Note 11)	1,131,681	971,076
C. DEFERRED INCOME	1,409	106,873
D. ACCRUED LIABILITIES (Note 12)	2,795,839	2,483,412
E. LONG-TERM DEBT	9,600,464	13,008,857
I. Bonds (Note 13)	-	2,021,874
II. Payable to banks (Note 14)	175,762	-
III Payable to Telefonica group and associated companies (Notes 14 and 18)	7,909,237	10,209,194
Payable to Sintel group and associated companies (Notes 14 and 18)	-	65,339
IV. Other long-term payables	1,515,101	712,450
Accrued taxes payable (Note 15)	1,454,290	712,450
Other accounts payable	60,811	-
V. Uncalled capital payments payable	364	-

Sintel, S.A. and Subsidiaries
Balance sheets as of December 31, 1995 and 1994

Currency - Thousands of Pesetas	Consolidated Group	
SHAREHOLDERS' EQUITY AND LIABILITIES	1995	1994
F. CURRENT LIABILITIES	23,659,864	20,280,147
I. Bonds (Note 13)	2,044,231	22,500
II. Payable to banks	3,911,900	4,462,908
Loans and other debts (Note 14)	3,757,136	4,331,825
Interest payable	154,764	131,083
III Payable to Telefonica and Sintel group and associated companies	913,582	459,179
Payable to Telefonica group companies (Note 18)	459,075	221,223
Payable to Sintel group companies (Note 18)	-	13,711
Payable to Telefonica associated companies	451,584	224,199
Payable to Sintel associated companies	2,923	46
IV. Trade accounts payable	14,274,828	12,459,101
Billings in excess of cost (Note 18)	2,033,540	1,946,795
Payable for purchases or services	5,758,161	6,400,638
Notes payable	6,483,127	4,111,668
V. Other nontrade payables	2,515,323	2,876,459
Accrued taxes payable (Note 15)	1,498,196	1,906,920
Compensation payable	872,825	854,217
Other accounts payable	144,302	115,322
G. ACCRUED LIABILITIES (Note 18)	243,236	-
TOTAL SHAREHOLDERS' INVESTMENT AND LIABILITIES (A+B+C+D+E+F+G)	39,676,369	39,288,573
	=====	=====

The accompanying Notes 1 to 20 are an integral part of these consolidated balance sheets.

Sintel, S.A. and Subsidiaries
 Consolidated statements of operations
 for the years ended December 31, 1995, 1994 and 1993

Currency - Thousands of Spanish Pesetas	Consolidated Group		
DEBITS	1995	1994	1993
EXPENSES			
Reduction in inventories	-	1,642,983	1,051,534
Procurements	22,959,908	19,857,220	22,552,133
Purchases from Telefonica Group companies (Note 18)	89,296	3,625	7,131
Purchases	2,774,693	1,606,735	2,545,221
Variation in raw materials and other supplies	(62,293)	16,899	2,167
Work performed by Telefonica group companies (Note 18)	2,157	66,258	-
Work performed by other companies	20,156,055	18,163,703	19,997,614
Personnel expenses (Note 18)	20,206,569	16,931,124	19,971,548
Period depreciation and amortization	612,246	642,159	620,895
Intangible assets	21,204	1,688	1,496
Tangible fixed assets	566,770	639,395	608,024
Deferred charges	24,272	1,076	11,375
Variation in operating provisions	2,912	169,245	45,412
Variation in inventory provisions	(6,380)	(1,427)	983
Variation in other operating provisions	9,292	170,672	44,429
Other operating expenses	4,311,377	4,072,481	3,285,822
Outside services from Telefonica group companies (Note 18)	606,110	108,147	702
Outside services	3,465,938	2,932,172	1,766,965
Taxes other than income tax	166,248	494,887	294,367
Other current operating expenses	73,081	537,275	1,223,788
I. OPERATING INCOME	-	438,310	-
Other financial expenses on debts to Telefonica group companies (Note 18)	948,027	984,935	360,250
Other financial expenses on debts	1,227,185	791,447	1,822,685
Variation in financial investment provisions	-	-	-
Exchange losses	302,251	411,275	25,054
II. FINANCIAL INCOME	-	-	-
Share in losses of companies carried by the equity method	-	-	11,243

Sintel, S.A. and Subsidiaries
 Consolidated statements of operations
 for the years ended December 31, 1995, 1994 and 1993

Currency - Thousands of Spanish Pesetas

	Consolidated 1995	Group 1994	1993
III INCOME FROM ORDINARY ACTIVITIES	-	-	-
Losses on sale fixed assets	98,307	50,395	-
Extraordinary expenses and losses (Note 18)	281,218	173,466	586,673
IV. EXTRAORDINARY INCOME	-	-	-
V. INCOME BEFORE TAXES	-	-	-
Corporate income tax	(821,125)	(252,527)	(214,210)
VI. CONSOLIDATED INCOME	-	-	-
Income attributed to minority interests	-	-	-
VII. INCOME FOR THE YEAR	-	-	-
	=====		

The accompanying Notes 1 to 20 are an integral part of these consolidated statements of operations.

Sintel, S.A. and Dependent Companies
 Consolidated statements of operations
 for the years ended December 31, 1995, 1994 and 1993

Currency - Thousands of Spanish Pesetas	Consolidated Group		
	1995	1994	1993
CREDITS			
REVENUE			
Total net sales	47,031,888	43,455,710	46,676,818
Net sales to Telefonica group companies (Note 18)	30,841,221	22,798,268	39,056,673
Net sales and services rendered	16,190,667	20,657,442	7,620,145
Increase in inventories	202,330	-	-
Other operating revenues	110,598	297,812	294,054
Sundry and other current operating revenues	75,597	243,340	268,483
Subsidies	35,001	54,472	25,571
I. OPERATING LOSS	748,196	-	556,472
Revenues from other securities and loans	267,699	578,754	516,418
Telefonica group companies (Note 18)	30,408	214,743	208,148
Other companies	215,696	363,486	306,484
Other interest and similar revenues	21,595	525	1,786
Exchange gains	30,802	326,488	400,357
II. FINANCIAL LOSS	2,178,962	1,282,415	1,291,214
Share in income of companies carried by the equity method	281,947	372,454	-
III LOSS ON ORDINARY ACTIVITIES	2,645,211	471,651	1,858,929
Gains on fixed asset disposals	28,957	260	2,062
Extraordinary revenues (Note 18)	344,831	-	49,092
IV. EXTRAORDINARY LOSS	5,737	223,601	535,519
V. LOSS BEFORE TAXES	2,650,948	695,252	2,394,448
VI. CONSOLIDATED LOSS	1,829,823	442,725	2,180,238
Income attributed to minority interests (Note 11)	153,686	333,492	532,260
VII LOSS FOR THE YEAR	1,983,509	776,217	2,712,498
	=====	=====	=====

The accompanying Notes 1 to 20 are an integral part of these consolidated statements of operations.

Sintel, S.A. and Subsidiaries
 Consolidated statements of cash flow
 for the years ended December 31, 1995, 1994 and 1993

Currency - Thousands of Spanish Pesetas	Consolidated Group		
	1995	1994	1993
Cash flows from operating activities:			
Net loss	(1,983,609)	(776,217)	(2,712,498)
Adjustments to reconcile net loss to cash (used) provided by operating activities:			
Depreciation and amortization	587,974	641,083	609,520
Movements in financial investments provisions	22,576	0	(1,113)
Minority interest	66,182	378,172	592,904
Loss (gain) on sale of assets	69,350	50,135	(2,062)
Changes in assets and liabilities net of effect of acquisitions and divestitures:			
Accounts receivable-net and unbilled revenue	(2,983,981)	2,442,149	6,210,468
Inventories	248,740	629,742	911,222
Short-term investments	1,892,764	(36,333)	(446,892)
Prepaids	178,217	(144,277)	(88,249)
Bonds	2,021,731	(140)	(193,090)
Payable to banks	(551,008)	(890,328)	(8,224,120)
Payable to group and associated companies	454,403	(474,080)	(424,181)
Trade accounts payable	1,815,727	(480,060)	(2,476,627)
Other nontrade payables	(361,136)	(1,043,393)	(606,754)
Accrued liabilities	243,236	0	(286)
Net cash (used) provided by operating activities	1,721,166	296,453	(6,851,758)
Cash flows from investing activities:			
Due from shareholders for uncalled capital	42,126	(42,126)	0
Intangible assets	(128,384)	(875)	0
Cash paid for acquisitions of fixed assets	(471,125)	(523,000)	(341,762)
Proceeds from sale of fixed assets	146,283	14,540	5,349
Cash paid for investments	(2,018,391)	(1,477,204)	(1,901,000)
Proceeds from sale of investments	2,224,775	380,626	598,638
Deferred expenses	(90,239)	(31,196)	23,640
Deferred income	(105,464)	(216,152)	(192,433)
Accrued liabilities	312,427	(452,375)	797,544
Long term debt	(3,408,393)	1,661,568	8,334,599
Share capital	2,000,000	0	0
Start up cost	(23,000)	0	0
Sintelar 1994 adjustment.	(47,744)	0	0
Translation differences	(47,398)	(45,626)	0
Absorption of SAC losses	0	(145,811)	0
Others	1,842	2,325	122,955
Net cash provided by investing activities	(1,612,685)	(875,306)	7,447,530
Net increase in cash and cash equivalents	108,481	(578,853)	595,772
Cash beginning of period	286,853	865,706	269,934
Cash end of period	395,334	286,853	865,706

The accompanying Notes 1 to 20 are an integral part of these consolidated statements of cash flow.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUBSIDIARIES AND ASSOCIATED COMPANIES

SISTEMAS E INSTALACIONES DE TELECOMUNICACION, S.A. ("SINTEL, S.A." or the "Company"), was incorporated on February 8, 1950 under the name of LIENA, S.A. and adopted its present name, on May 2, 1975. Its registered offices are at calle Arte 21, Madrid.

Sintel, S.A. engages mainly in the design and performance of projects and operations of all kinds related to telecommunication and electricity networks and systems.

The detail of the Company's subsidiaries and affiliates is as follows:

	Line of Business	Consolidation Method	% of Ownership	
			1995	1994
SUBSIDIARIES				
Sintelar	Telecommunication instalations(1)	Consolidated	50%	50%
Sintel Venezuela	Telecommunication instalations(2)	Consolidated	99.99%	99.99%
Sintel Peru	Telecommunication instalations(3)	Consolidated	38%	38%
Cotronic	Telecommunication instalations(4)	Consolidated	51%	49%
Incosa	Telecommunication instalations(5)	Consolidated	51.1%	49%
AFFILIATED COMPANIES				
Sietel	Telecommunication instalations(6)	Equity method	50%	50%
Sintel-Abengoa				
Servicios. 2.000	Telecommunication instalations(7)	Equity method	50%	50%
Sinaben Multimedia	Multimedia teleco. network(8)	Equity method	50%	--
Inalca	Telecommunication instalations(9)	Equity method	--	44%
Sistemas Avanzados de Control	Telecommunication instalation(10)	Equity method	--	42.12%

The registered offices of the foregoing companies are the following:

Sintelar: C/Carlos Pellegrini 1163. BUENOS AIRES (ARGENTINA)
 Sietel: C/ Mac-Iver 125 piso 12. SANTIAGO DE CHILE (CHILE)
 Sintel-Abengoa, Servicios 2000: C/ Infante D. Carlos 16, 2 D, SEVILLA (SPAIN).
 Sintel Venezuela: 2 Avda. Campo Alegre, Quinta n 11 CARACAS (VENEZUELA)
 Sintel Peru: Avda. Jose Pardo, 601 LIMA (PERU).
 Sinaben Multimedia: c/ Arte, 21, MADRID (SPAIN).
 Cotronic: C/ Competa 6, Edificio Milton 10-A, MALAGA (SPAIN).
 Incosa: Poligono de Pocomaco, parcela A-2 Nave I, LA CORUNA (SPAIN).
 Inalca: C/ Ramon y Cajal s/n. LA CAVA DELTEBRE, (TARRAGONA) (SPAIN).
 Sistemas Avanzados de Control: C/ Estudio 3, ARAVACA (MADRID) (SPAIN).

(1) and (3) Consolidated since Telefonica de Espana, S.A. has an indirect holding in the company and, therefore, effective control is exercised by virtue of holding a majority of the voting rights in the Board of Directors.

(2), (4) and (5) Consolidated since Sintel has a majority of the voting rights.

(6), (7), (8),

(9) and (10) Carried by the equity method since Sintel exercises significant management influence.

The data in the foregoing tables were furnished by the Group companies and their net worth position is disclosed in their audited financial statements, except for Sintel Abengoa, Servicios 2.000 A.I.E. and Sinaben Multimedia, which did not fall within the minimum statutory audit requirements as of December 31, 1995 and 1994.

In view of the political and economic situation in Venezuela, the Venezuelan government has intervened to control the outflow of foreign currencies. This situation, together with the devaluation of the bolivar, gave rise to a significant loss in the translation at year-end exchange rates of Sintel Venezuela's foreign currency balances with the Parent Company Sintel S.A. Management of the Company considers that the situation will be remedied in the short run.

The Company's sole shareholder is Telefonica de Espana, S.A. Consequently, as required by (Spanish corporation law) section 23 of the Second Additional Provision of Limited Liability Companies Law 2/1995, which makes the legal system stipulated for sole-shareholder limited liability companies applicable to sole-shareholder corporations, the Company:

Registered the status and identity of the shareholder of the sole-shareholder company in the Mercantile Register.

Keeps an updated register-book of any contracts entered into with the sole shareholder, which is periodically legalized in the Mercantile Register.

The contracts between Sintel, S.A. and Telefonica de Espana, S.A. ("Telefonica") in 1995 were mainly of two kinds: comprehensive service contracts and individual project or service contracts, which are awarded by public call for tenders. The detail, by type, of the comprehensive service contracts is as follows:

Contract	Expiration	Economic Conditions
- Lines and Cables	12/31/98	- Price per certified scale point, variable based on province - May be terminated by either party in September 1997
- Wiring system and trenches	12/31/97	- Price per certified scale point, variable based on province
- Single line	12/31/96	- Price per certified scale point, variable based on province
- Multi-line	04/30/96	- Price per certified scale point

The transactions with Telefonica in 1995 and 1994 are detailed in Note 18.2.

NOTE 2. PROPOSED ALLOCATION OF THE PARENT COMPANY'S LOSS

The Company's directors will propose at the Shareholders' Meeting that the 1995 loss be allocated to "Prior Years' Losses".

The 1994 loss was allocated to "Prior Years' Losses".

NOTE 3. BASIS OF PRESENTATION OF THE FINANCIAL STATEMENTS

A) The accompanying consolidated financial statements were prepared from the accounting records of Sintel and of its Subsidiaries (see Note 1), whose respective financial statements were prepared by the directors of each company in accordance with the Spanish National Chart of Accounts as approved by Royal Decree dated December 20, 1990 and Royal Decree 1815/1991 and, accordingly, they give a true and fair view of the net worth, financial position and results of the Sintel Group. The accompanying consolidated financial statements as of December 31, 1995, were prepared by the directors of Sintel, S.A., according to the structure of with the Spanish National Chart of Accounts and were adapted to US GAAP.

B) Accounting principles

The consolidated financial statements were prepared in accordance with the accounting principles of prudence, going concern, cost, accrual basis, revenue and expense matching, no offset, consistency and materiality. The income from projects is recognized as explained in Note 4 since it is a more appropriate way to present a true and fair view of the net worth, financial position and results of the Sintel group.

C) Consolidation principles

The companies at which there is effective control in their representation and decision-making bodies were consolidated by the global integration method; those in which there is significant influence but not ownership of a majority of the voting rights were consolidated by the equity method

All significant accounts and transactions between consolidated companies were eliminated in consolidation.

The equity of minority interests in stockholders' equity and results of the consolidation of affiliates is presented under the "Minority Interests" and "Income Attributed to Minority Interests" captions in the consolidated balance sheet and consolidated statement of operation, respectively (see Note 11).

The effect of inclusion, by the equity method, of the holdings in associated companies in the consolidated balance sheets is reflected under the "Reserves at Companies Carried by the Equity Method" and "Share in the Income/Losses of Companies Carried by the Equity Method" captions, as appropriate.

The accompanying consolidated financial statements do not include the tax effect of the incorporation of the subsidiaries' reserves to the Sintel consolidated annual accounts, due to the fact that the reserves have not been transferred and will not be distributed at the end of the period, and will be used as a financing source of the subsidiaries to reduce their indebtedness.

D) Comparative information

The following companies were included in consolidation for the first time in 1995 and 1994:

Company	Registered Offices
1995 :	
Group and multigroup companies SINABEN MULTIMEDIA A.I.E.	C/ ARTE, 21 MADRID (SPAIN)
1994 :	
Group and multigroup companies SINTEL VENEZUELA	22. AVDA. CAMPO ALEGRE QUINTA No. 11 CARACAS (VENEZUELA)
SINTEL PERU	AVDA. JOSE PARDO, 601 LIMA (PERU)

Also, the following companies were excluded from consolidation in 1995 as a result of sale:

Company	Registered Offices
1995 :	
Associated companies: INALCA, S.A.	C/ RAMON Y CAJAL, S/N LA CAVA DELTEBRE (TARRAGONA) (SPAIN)
SISTEMAS AVANZADOS DE CONTROL	C/ ESTUDIO, 3, ARAVACA (MADRID)

The companies excluded from consolidation in 1995 contributed in 1994 losses of approximately Ptas. 255,727,000 to the "Companies Carried by the Equity Method" caption and approximately Ptas. 96,406,000 of results.

NOTE 4. VALUATION STANDARDS

The valuation criteria used by the Company were as follows:

A) Standardization of items.

The financial statements of the individual companies have been formulated following homogeneous accounting principles. For those companies where different principles have been used, the corresponding adjustment was done in the process of consolidation, in order to present the annual consolidated accounts on a homogeneous basis.

B) Adjustment of balance sheets of foreign companies.

The items in the balance sheet and income statement of foreign companies are adjusted, before being translated to pesetas, for the effects of the changes in prices, in accordance with the rules applicable for these purposes in the country where the foreign company is located.

C) Translation methods (year-end exchange rates)

The financial statements of the foreign Group companies were translated to pesetas at the exchange rates ruling at year-end (December 31, 1995 and 1994), except for:

1. Capital stock, which was translated at historical exchange rates.
2. Reserves, which were translated at the average exchange rates in the years in which they arose.
3. Income statement balances, which were translated at the average exchange rates for the year.

The exchange difference arising from application of this method is included under the "Shareholder's Equity - Translation Differences" caption in the accompanying consolidated balance sheets, net of the portion relating to minority interests, which is presented under the "Minority Interests" caption of the accompanying consolidated balance sheets.

D) Tangible fixed assets

Tangible fixed assets are recorded at cost. Expenditures for repairs and maintenance are charged to expenses as incurred. Expenditures for betterment's and major improvements are capitalized.

The Companies depreciate its tangible fixed assets by the straight-line method at rates based on the following years of estimated useful life:

ASSET	Years of Estimated Useful Life
Buildings and other structures (brand new assets)	50
Buildings and other structures (second hand assets)	25
Machinery	7
Tools	3
Vehicles	7
Furniture	10
Computer hardware	4
Meter-reading equipment	10
Installations	14

E) Other loans granted

The balance of the "Financial Investments - Other Loans" caption relates basically to Sintelar's long-term receivables from its customer Telecom.

F) Inventories

Inventories (raw materials and other supplies) are valued at the lower of average cost or market. "Work-in-Process" and "Completed Work" are carried at cost of the allocated items (mainly direct labor and outsourced services)

Obsolete, defective and slow-moving inventories have been reduced to net realizable value.

G) Subsidies

Operating subsidies are credited to the statement of operations in the year in which they are granted. The subsidies granted in 1995 and 1994 relate basically to social security allowances for training courses.

H) Liability for pensions

In 1990 the Parent Company Sintel, S.A. reached an agreement with its employees in connection with the pension commitments established by the collective labor agreement and the internal regulations. Under this agreement, a pension plan was set up at Gestion de Prevision y Pensiones, S.A. (Argentaria). The Company undertook to make annual contributions of 2.384% of the fixed compensation (2% for employees who joined the Company after November 4, 1990).

The liability registered by the Company as of December 31, 1990, to cover all the liabilities incurred in this regard at that date, amounted to approximately Ptas. 2,133,521,000, based on the calculations by independent actuaries, using individual capitalization techniques and an assumed interest of 6%. Under the financial rebalancing plan set up with Gestion de Prevision y Pensiones, S.A. (Argentaria), approximately Ptas. 470,000,000 were contributed to this Company in 1990, and the remaining amounts incurred at that date and the related interest were to be paid over 33 years, as agreed in the plan.

Contributions to the fund in 1995 amounted to approximately Ptas. 81,684,000 (approximately Ptas. 78,542,000 in 1994), in accordance with the financial rebalancing plan mentioned above, and approximately Ptas. 53,875,000, to cover the unamortized amounts for past services of employees who left the Company due to retirement, disability or death in 1995.

Additionally, Ptas. 106,838,000 have been recorded to cover the financial expenses due to the amounts pending to be paid to Gestion de Prevision y Pensiones, S.A. for the past services.

Approximately Ptas. 178,813,000 were paid in 1995 (Ptas. 190,349,000 in 1994) and recorded under "Personnel Expenses" relating to current obligations for the year.

I) Other provisions for contingencies and expenses

This relates to the estimated amount required for probable or certain third-party liability arising from litigation in progress or from outstanding indemnity payments or obligations of undetermined amount, and guarantees provided by the Company. This provision is recorded when the contingency or obligation giving rise to the indemnity or payment arises.

J) Extraordinary long-service bonus

Under the collective labor agreement in force, the Parent Company Sintel, S.A. is required to pay an extraordinary bonus equal to one month's current salary to employees reaching 25 years of uninterrupted service at the Company. As of December 31, 1995, the Company had recorded a provision of approximately Ptas. 245,196,000 for the liability incurred in this connection through that date, which is included under the "Accrued liabilities long term" caption on the accompanying balance sheet. As of December 31, 1994, the Company had recorded a provision of approximately Ptas. 230,657,000 in this connection.

K) Corporate income tax

The expense for corporate income tax of each year is calculated on the basis of book income before taxes, increased or decreased, as appropriate, by the permanent differences from taxable income, net of tax relief and tax credits. The corporate income tax expense was recorded taking into account, where applicable, the resolutions adopted by Telefonica based on the ICAC resolution dated April 30, 1992, establishing the criteria for the recording of corporate income tax at companies which file consolidated tax returns.

Prepaid taxes are only recognized in assets insofar as their realization in the future is reasonably assured. The tax arising from the income obtained from sales to Telefonica de Espana, S.A. by the companies consolidated for tax purposes and pending collection from third parties is deferred for tax purposes by the Group. The effect of this deferral, arising from the aforementioned Telefonica transactions, is recorded under the "Investments - Loans to Telefonica Group Companies" and "Other Long-Term Payables- Accrued Taxes Payable" captions.

L) Foreign currency transactions

Foreign currency balances are translated to pesetas at the exchange rates ruling at the balance sheet date. Exchange losses are charged to period income. Exchange gains are credited to income when they arise. At December, 31 1995, 1994 and 1993 no significant exchange gains are pending to be recorded.

M) Recognition of revenue and expenses

Revenue and expenses are recognized on an accrual basis. In accordance with the accounting principle of prudence, the Company only records realized income at year-end, whereas foreseeable contingencies and losses, including possible losses, are recorded as soon as they become known.

Revenues from projects taking over one year are valued by adding to the cost incurred the expected profit margin, which is calculated on the basis of the percentage of completion of the project proportionally between the estimated cost and the contractual selling price. If the difference between the resulting value and the billings made is positive, it is recorded in the "Customer Receivables - Unissued Billings" account under the "Accounts Receivable - Customer Receivables" and "Accounts Receivable - Receivable from Group Companies" captions. If the difference is negative, the excess billings are recorded under in the "Customer Advances" account under the "Trade Accounts Payable- billings in excess of costs" caption.

The result on the scaled projects of the Telecommunication Networks division is estimated on the basis of the monthly percentage of completion and the sale price agreed upon with Telefonica de Espana, S.A. (under general agreements). The completed work not yet billed to Telefonica is included under the "Receivable from Group Companies - Receivable from Group Companies for Accrued Billings" caption.

The "Customer Receivables - Unissued Billings" caption also includes the balances, valued at selling price, of services rendered and pending final billing. If losses are expected, the related provisions are recorded for their full amount.

N) Termination indemnities

Under current labor regulations, Sintel, S.A. is required to make indemnity payments to employees terminated under certain conditions.

As of December 31, 1995, management of Sintel, S.A. had reached an agreement with the workers' representatives in connection with the early retirement of 35 employees in the period 1996 through 1999. A provision of approximately Ptas. 529,524,000 was recorded in 1995 in this connection, under the caption "Personnel expenses" in the accompanying statement of operations.

NOTE 5.- HOLDINGS IN COMPANIES CARRIED BY THE EQUITY METHOD

The movements in 1995 in this caption in the accompanying consolidated balance sheets were as follows:

	Balance at 12/31/94	In thousands of pesetas		Sales	Dividends		Attribution of		Share in Income for the year	Balance at 12/31/95
		Additions	Transfer to Consolidated Companies		Suppl 95	Interim 95	Losses to Shareholders	Translation Differences		
Contronic	44,043	0	(44,043)	0	0	0	0	0	0	0
Incosa	71,997	0	(71,997)	0	0	0	0	0	0	0
S.A.C.	107,686	0	0	(107,686)	0	0	0	0	0	0
Servicios 2.000	0	0	0	0	0	0	4,768	0	(6,103)	(3,604)
Sietel	191,075	0	0	0	(180,253)	(54,007)	0	(3,331)	287,743	241,227
AIE Sinaben	0	1,000	0	0	0	0	0	0	306	1,306
Total	412,532	1,000	(116,040)	(107,686)	(180,253)	(54,007)	4,768	(3,331)	281,946	238,929

NOTE 6. TANGIBLE FIXED ASSETS

The movements in 1995 in fixed asset accounts and in the related accumulated depreciation were as follows:

A) VARIATIONS IN FIXED ASSETS (COST)

In thousands of pesetas

	Balance at 12/31/94	Additions	Retire- ments	Increase (Decrease) by Transfer	Exchange Rate Variation	Balance at 12/31/95
Land and buildings	690,625	25,255	-	6,371	-	722,251
Technical installations and machinery	998,091	70,532	(147,291)	(23,637)	(9,514)	888,181
Furniture	422,443	14,236	(1,500)	15,741	(8,091)	442,829
Computer hardware	817,619	59,413	(329,326)	12,786	(1,140)	559,352
Tools	997,039	72,680	(30,788)	31,357	(4,368)	1,065,920
Vehicles	1,360,075	21,414	(70,780)	72,975	(19,395)	1,364,289
Meter-reading equipment	1,492,365	207,595	(305,940)	13,941	(7)	1,407,954
Total	6,778,257	471,125	(885,625)	129,534	(42,515)	6,450,776

B) MOVEMENTS IN ACCUMULATED DEPRECIATION

In thousands of pesetas

	Balance at 12/31/94	Provisions	Amounts Used	Increase (Decrease) by Transfer	Exchange Rate Variation	Balance at 12/31/95
Land and buildings	86,782	10,461	-	1,146	-	98,389
Technical installations and machinery	500,103	99,377	(83,214)	(7,296)	(4,375)	504,595
Furniture	250,876	41,224	(896)	5,949	(2,249)	294,904
Computer hardware	663,490	43,803	(273,346)	5,393	(1,454)	437,886
Tools	891,808	65,415	(26,829)	22,531	(2,456)	950,469
Vehicles	945,965	143,644	(27,314)	53,975	(6,772)	1,109,498
Meter-reading equipment	923,113	162,846	(298,458)	68,935	(6,243)	850,193
Total	4,262,137	566,770	(710,057)	150,633	(23,549)	4,245,934

In 1995 Sintel, S.A. reorganized its work centers. As a result, as of December 31, 1995, assets with a cost value of approximately Ptas. 677,655,000 and accumulated depreciation of approximately Ptas. 92,174,000 were not directly assigned to operations. The depreciation of these assets charged to the "Period Depreciation and Amortization - Tangible Fixed Assets" caption in 1995 amounted to approximately Ptas. 9,568,000.

Company's management plan to rent or sale these assets to third parties.

The items which were fully depreciated as of December 31, 1995 and 1994, were as follows:

	In thousands 1995	of pesetas 1994
Technical installations and machinery	100,260	142,673
Furniture	96,083	96,274
Computer hardware	328,352	385,425
Tools	835,551	840,954
Vehicles	435,953	440,841
Meter-reading equipment	357,749	378,782
Total	2,153,948	2,284,949

Projected investments (including financial investments) for 1996 at Sintel, S.A. amount to approximately Ptas. 310,000,000.

The Parent Company and the Group have taken out insurance policies to cover the possible risks to which their tangible fixed assets are subject.

NOTE 7.- FINANCIAL INVESTMENTS

The movements in 1995 in "Financial Investments" accounts and in the related provisions were as follows:

A) VARIATIONS IN GROSS FINANCIAL INVESTMENTS :

	In thousands of pesetas					
	Balance at 12/31/94	Investments	Divestments	Transfer	Exchange Adjustment	Balance at 12/31/95
Holdings carried by the equity method	412,532	293,817	(467,420)	-	-	238,929
Other holdings	256,289	152	(60)	(246,449)	-	9,932
Loans to group companies	2,134,122	1,340,961	(1,420,578)	(19,060)	-	2,035,445
Other loans	672,233	164,099	(186,529)	256,656	(78,987)	827,472
Tax prepayments	661,468	202,925	(24,900)	-	-	839,493
Deposits and guarantees	57,580	16,437	(27,241)	(10,207)	-	36,569
Total	4,194,224	2,018,391	(2,126,728)	(19,060)	(78,987)	3,987,840

The transfer of approximately Ptas. 246,449,000 in 1995 from "Other Holdings" was due to the fact that the long-term loans from Sintelar to the temporary joint ventures in which it participates were transferred in 1995 to the "Other Loans" caption.

The 1995 divestments in the "Loans to Group Companies" caption amounting to Ptas. 1,420,578,000 relate to collections made in 1995 under the supplementary contract with Telefonica de Espana, S.A. (Ptas. 200,940,000) and in connection with collections arising from this Company due to the long-term tax credit (Ptas. 1,219,638,000).

The detail, by type of transaction, of the long-term loans to group companies is as follows:

	In thousands of pesetas.	
	1995	1994
Receivable from Telefonica for long-term tax credit	581,155	1,216,644
Receivable from Telefonica for long-term internal transactions	1,454,290	694,484
Receivable from Telefonica for long-term consolidated taxation	-	3,094
Receivable from Telefonica under supplementary contract	-	220,000
	-----	-----
TOTAL	2,035,445	2,134,222
	=====	=====

B) MOVEMENTS IN FINANCIAL INVESTMENT PROVISIONS :

	In thousands of pesetas				
	Balance at 12/31/94	Provisions	Amounts Used	Transfers	Balance at 12/31/95
Prepaid taxes (Note 15) (Nota 15)	582,232	-	-	-	582,232
Other companies	69	22,576	-	-	22,645
	-----	-----	-----	-----	-----
Total	582,301	22,576	-	-	604,877
	=====	=====	=====	=====	=====

The provisions relate to those recorded by Sintelar.

NOTE 8. INVENTORIES

The breakdown of the balances of the Group's "Inventories" caption as of December 31, 1995 and 1994, is as follows:

	In thousands of pesetas	
	1995	1994
Raw materials and other supplies	305,782	412,781
Work-in-process	2,360,648	2,226,440
Completed work	489,909	423,966
Allowance	(51,155)	(58,492)
Advances to suppliers	851,522	1,200,751
	-----	-----
TOTAL	3,956,706	4,205,446
	=====	=====

NOTE 9. ACCOUNTS RECEIVABLE

The balances as of December 31, 1995 and 1994, are as follows:

	In thousands of pesetas	
	1995	1994
Customer receivables	3,585,674	8,538,227
	-----	-----
Customer receivables	3,509,301	5,294,665
Customer receivables for accrued billings	76,373	3,243,562
Receivable from Group companies, Telefonica	21,269,306	16,116,345
	-----	-----
Receivable from Group companies (Note 18)	20,810,257	15,742,644
Receivable from Group companies for accrued billings (Note 18)	459,049	373,701
Receivable from associated companies, Telefonica Group (Note 18)	3,040,219	-
Receivable from associated companies, Sintel Group (Note 18)	3,391	17,326
Sundry accounts receivable	423,664	715,592
Employee receivables	209,904	211,794
Tax receivables	359,860	512,689
Allowances for doubtful accounts	(577,600)	(781,536)
	-----	-----
TOTAL	28,314,418	25,330,437

NOTE 10. SHAREHOLDER'S EQUITY

The movements in equity accounts in 1995 and 1994 were as follows:

In thousands of pesetas

	Allocation of Loss									
	Balance at 12/31/94	Other Variations	Other Reserves of the Controlling Company	Reserves at Consolidated Companies	Gross Dividends	Distribution of Dividends within the Group	Loss for the Year	Transfer due to Changes in Holdings	Transfer due to Sales of Holdings	Balance at 12/31/95
Subscribed capital stock	1,100,000	2,000,000	-	-	-	-	-	-	-	3,100,000
Unrestricted reserve	4,253,434	-	-	-	-	-	-	(191,100)	-	4,062,334
Legal reserve	220,000	-	-	-	-	-	-	-	-	220,000
Restricted reserve	101,190	-	-	-	-	-	-	-	-	101,190
Prior years' losses	(2,829,437)	(23,000)	(1,315,222)	-	(158,490)	202,671	-	-	-	(4,123,478)
Reserves at companies consolidated by the global method	534,973	(47,744)	-	356,300	-	(22,417)	-	62,315	-	883,427
Reserves at companies carried by the equity method	(185,732)	3,124	256,838	162,764	(78,407)	(180,254)	-	(62,315)	-	11,313
Translation differences in consolidation	19,997	(47,398)	-	-	-	-	-	-	-	(27,401)
Loss for the year	(776,217)	-	776,217	-	-	-	(1,983,509)	-	-	(1,983,509)
TOTAL	2,438,208	1,884,982	(282,167)	519,064	(236,897)	-	(1,983,509)	-	(95,805)	2,243,876

Allocation of Loss

	Balance at 12/31/93	Other Variations	Other Reserves of the Controlling Company.	Reserves at Consolidated Companies	Gross Dividends	Distribution of Dividends within the Group	Loss for the Year	Transfer due to Changes in Holdings	Transfer due to Sales of Holdings	Balance at 12/31/94
Subscribed capital stock	1,100,000	-	-	-	-	-	-	-	-	1,100,000
Unrestricted reserve	4,061,243	1,091	191,100	-	-	-	-	-	-	4,253,434
Legal reserve	220,000	-	-	-	-	-	-	-	-	220,000
Restricted reserve	101,190	-	-	-	-	-	-	-	-	101,190
Prior years' losses	337,251	-	(2,987,927)	-	(337,251)	158,490	-	-	-	(2,829,437)
Reserves at companies consolidated by the global method	1,479	1,143	90	532,261	-	-	-	-	-	534,973
Reserves at companies carried by the equity method	229,340	(145,811)	36,306	(11,245)	(158,490)	-	-	-	-	(185,732)
Translation differences in consolidation	19,997	(47,398)	-	-	-	-	-	-	-	19,997
Loss for the year	(2,712,498)	-	2,712,498	-	-	-	(776,217)	-	-	(776,217)
TOTAL	3,403,628	(189,203)	(47,933)	521,016	(473,083)	-	(776,217)	-	-	2,438,208

As of December 31, 1995, the Company's capital stock consisted of 3,100,000 fully subscribed and paid registered shares of Ptas. 1,000 par value each. As of December 31, 1994, the capital stock consisted of 1,100,000 fully subscribed and paid registered shares of Ptas. 1,000 par value each. The capital increase carried out in 1995 is in the process of registration in the Commercial Register.

The companies and individuals outside the Group or related to Sintel, S.A. through common shareholders with an ownership interest of 10% or more in any Group company are as follows:

December 31, 1995

Shareholders	Investee	Percentage of Ownership
T. Internacional	Sintelar	25
C.H.S.	Sintelar	25
T. Internacional	Sintel Peru	25
Grana y Montero	Sintel Peru	37
Antonio Soto	Incosa	16.3
Jose Doval	Incosa	16.3
Antonio Di Lello	Cotronic	26
Gines Ramis	Cotronic	12.5
Julio J. Rodriguez	Cotronic	10.5
Iecsa-Sideco	Sietel	50
Abengoa	Servicios 2.000	50
Abengoa	Sinaben M.	50

Under the Corporations Law, as amended, 10% of income for each year must be transferred to the legal reserve until the balance of this reserve reaches at least 20% of capital stock.

The legal reserve can be used to increase capital provided that the remaining reserve balance does not fall below 10% of the increased capital stock amount.

Except as mentioned above, until the legal reserve exceeds 20% of capital stock, it can only be used to offset losses, provided that sufficient other reserves are not available for this purpose.

The breakdown of the reserves, and loss for the year relating to the Group of consolidated companies, and translation differences is as follows at December 31, 1995:

In thousands of pesetas				
	Reserves At Companies Consolidated By The Global Method	Reserves at Companies Carried by the Equity Method	Income (Loss) for the Year	Translation Differences
Sintel	-	-	(2,328,070)	-
Sintelar	857,314	-	(81,875)	(36,799)
Sietel	-	11,313	287,743	(3,874)
Sintel Venezuela	(40,944)	-	(28,899)	13,315
Sintel Peru	(11,948)	-	103,055	(43)
Servicios 2.000	-	-	(6,102)	-
Cotronic	29,908	-	29,407	-
Incosa	49,097	-	40,926	-
Inalca	-	-	-	-
S.A.C.	-	-	-	-
Sinaben	-	-	306	-
TOTAL	883,427	11,313	(1,983,509)	(27,401)

The variations in the number of shares and in their par value are as follows:

Number of shares registered	Thousands of Shares		
	12/31/93	12/31/94	12/31/95
Beginning balance	1,100	1,100	1,100
New shares issued	-	-	2,000
Ending balance	1,100	1,100	3,100

Par value of the shares at the end of the year	In pesetas		
	12/31/93	12/31/94	12/31/95
	1,000	1,000	1,000

NOTE 11. MINORITY INTERESTS

The movements in 1995 in this caption in the accompanying consolidated balance sheets were as follows (in thousands of Pesetas):

	Balance at 12/31/94	(Loss) Income for the Year	Change in Holding	Translation Differences	Other Variations	Balance at 12/31/95
Sintelar	878,595	(81,875)	-	(51,367)	(1,551)	743,802
Sintel Peru	92,481	168,143	-	(4,742)	(29,844)	226,038
Cotronic	-	28,254	39,688	-	-	67,942
Incosa	-	39,164	54,735	-	-	93,899
Total	971,076	153,686	94,423	(56,109)	(31,395)	1,131,681

The breakdown of the balance of the "Minority Interests" caption as of December 31, 1995, is as follows (in thousands of Pesetas):

	Capital Stock	Reserves	Translation Differences	(Loss) Income for the Year	Total
Sintelar	5,163	857,314	(36,800)	(81,875)	743,802
Sintel Peru	77,459	(19,495)	(69)	168,143	226,038
Cotronic	4,900	34,788	-	28,254	67,942
Incosa	4,890	49,845	-	39,164	93,899
TOTAL	92,412	922,452	(36,869)	153,686	1,131,681

NOTE 12. ACCRUED LIABILITIES

The breakdown of the balance of this caption as of December 31, 1995 and 1994, is as follows:

	In Thousands of Pesetas			1995
	1994	Provisions	Amounts Used	
For third-party liability	292,548	91,087	(64,402)	319,233
For early retirements	-	379,496	-	379,496
For asset/liability position contingencies	179,572	-	(79,572)	100,000
Liability for pensions	1,780,634	106,838	(135,558)	1,751,914
Extraordinary long- service bonus	230,658	18,996	(4,458)	245,196
Total	2,483,412	596,417	(283,990)	2,795,839

NOTE 13. BONDS OUTSTANDING

The detail of the debentures outstanding as of December 31, 1995, and of the main features thereof is as follows (in thousands of Pesetas):

Issue Date	%	Par Value	Effective Amount	Redemption
05/31/89	12.25	2,000,000	2,021,874	1996

The accrued interest payable amounted to approximately Ptas. 22,357,000 in 1995 and Ptas. 22,500,000 in 1994. Therefore, the balance outstanding amounted to approximately Ptas. 2,044,231,000 in 1995.

NOTE 14. PAYABLE TO BANKS ENTITIES AND PAYABLE TO GROUP AND ASSOCIATED COMPANIES

14.1 These accounts are classified in the balance sheet by maturity. The balances as of December 31, 1995 and 1994, are as follows (in thousands of Pesetas):

a) Long-term	1995	1994
Loans from Telefonica Group (Telfisa)	7,909,237	10,209,194
Long-term debt to Sintel Group	-	65,339
	-----	-----
Total Payable to Group and Associated Companies	7,909,237	10,274,533
	=====	=====

These balances relate to the financing received from Telfisa (a Telefonica Group Company), by virtue of the long-term financing contract entered into in 1993, at market rates with interest ranging from 8.87% to 10.22%.

The loan from Telfisa matures on November 2, 1996. However, the Company records it at long-term since there is an agreement to automatically renew it at maturity.

The detail of the balance of the long-term "Payable to Banks" caption as of December 31, 1995, which amounted to approximately Ptas. 175,762,000, is as follows:

Bank	Maturity	Limit	In Thousands of Pesetas	
			Principal Outstanding or Balance Used	Unused Balance
INCOSA :				
Banco de Galicia	05/18/97	25,000	24,739	261
Banco de Galicia	05/18/97	135,000	77,600	57,400
Bankinter Indefinite		50,000	45,744	4,256
COTRONIC :				
Loan from Unicaja	01/16/99	73,000	27,679	
Total		283,000	175,762	61,917
		=====	=====	=====

b) Short-term

Loans received by:	In Thousands of Pesetas	
	1995	1994
Sintel	2,410,841	4,331,825
Sintelar	905,513	-
Cotronic	151,038	-
Incosa	221,322	-
Sintel Peru	68,422	-
	-----	-----
	3,757,136	4,331,825
	=====	=====

c) Credit and discount lines

As of December 31, 1995, the Sintel Group had the following credit and discount lines, with the limits and unused amounts detailed below:

Credit facilities	In Thousands of Pesetas			
	Maturity	Limit	Principal Outstanding Or Balance Used	Unused Balance
SINTEL :				
Atlantico	01/05/96	1,000,000	260,385	739,615
Andalucia	01/18/96	500,000	458,981	41,019
Bankinter	06/06/96	2,500,000	554,223	1,945,777
Barclays	06/10/96	1,000,000	695,756	304,244
Popular Espanol	06/22/96	500,000	450,973	49,027
Urquijo	-	-	(9,477)	9,477
INCOSA :				
Credit Lyonnais	10/19/96	25,000	(7,522)	32,522
B.B.V.	09/12/96	35,000	32,486	2,514
Banco Gallego	01/05/96	15,000	3,724	11,276
Banco Simeon	10/18/96	25,000	24,331	669
Bankinter	11/07/96	25,000	23,715	1,285
Credit Lyonnais	10/19/96	85,000	71,669	13,331
B.B.V.	09/15/96	150,000	46,546	103,454
Banco Gallego	01/30/96	35,000	5,709	29,291
Banco Simeon	10/18/96	50,000	19,928	30,072
Slibail Iberica, S.A. (Leasing)	07/16/96	-	736	-
COTRONIC:				
Loan from Unicaja	-	-	9,231	-
Banco Herrero	02-04-96	50,000	42,875	7,125
Banco Atlantico	10-06-96	100,000	98,932	1,068
SINTELAR:				
Citibank	07-25-96	449,358	449,358	-
Bansud	07-14-96	456,155	456,155	-
SINTEL PERU :				
Extebandes	Indefinite	242,820	68,422	174,398
Total		7,243,333	3,757,136	3,496,164
		=====	=====	=====

The average annual interest on these credit facilities was 10.13% in 1995 (8.70% in 1994) for the Parent Company.

The financial expenses accrued and payable by the Sintel Group as of December 31, 1995, amounted to approximately Ptas. 441,963,000, of which Ptas. 154,764,000 related to interest payable to credit entities and Ptas. 287,199,000 to interest payable to Telefonica group companies, and are included under the short-term "Payable to Telefonica Group Companies" caption.

As of December 31, 1994, these financial expenses amounted to approximately Ptas. 347,798,000, of which Ptas. 131,083,000 related to interest payable to credit entities and Ptas. 216,624,000 to interest payable to group companies, and are included under the short-term "Payable to Telefonica Group and Associated Companies" caption.

NOTE 15. ACCRUED TAXES PAYABLE, TAX RECEIVABLES AND PREPAID TAXES

The breakdown of these captions as of December 31, 1995 and 1994 is as follows:

	In Thousands 1995	of Pesetas 1994
Long-term accrued taxes payable and other :		
Deferred taxes on intragroup transactions	1,454,290	712,450
	-----	-----
Total long-term accrued taxes payable	1,454,290	712,450
	=====	=====

	In Thousands 1995	of Pesetas 1994
Short-term accrued taxes payable and other :		
Personal income tax withholdings	228,381	211,685
VAT payable	681,891	941,359
Withholdings from income from financial capital and other	143,277	307,660
Accrued social security taxes	313,604	362,650
Taxes payable abroad	127,869	72,690
Other government entities	838	3,748
Canary Islands general indirect tax	2,336	7,128
	-----	-----
Total short-term accrued taxes payable	1,498,196	1,906,920
	=====	=====

	In Thousands 1995	of Pesetas 1994
Tax prepayments and other long-term items :		
Prepaid taxes	839,493	661,468
Allowances	(582,232)	(582,232)
	-----	-----
Total prepaid taxes net	257,261	79,236
	=====	=====

	In Thousands 1995	of Pesetas 1994
Short-term tax receivables and other:		
Prepaid taxes on intragroup transactions	10,041	10,041
Social security receivables	11,461	9,465
Sundry tax receivables (international)	338,209	493,183
Tax withholdings and prepayments	149	-
	-----	-----
Total short-term tax receivables	359,860	512,689
	=====	=====

NOTE 16. TAX MATTERS

By Ministerial Order dated July 27, 1993, the Directorate-General of Taxes authorized Telefonica de Espana, S.A. to extend its consolidated taxation status for corporate income tax purposes for 1993, 1994 and 1995, as group number 24/90, which includes the Parent Company Sintel, S.A. from 1990. This authorization is conditional upon compliance with the requirements stipulated by current legislation (Royal Decree 15/1977 and Law 18/1982).

As a result of application of the consolidated taxation system, the individual credits and debits of Sintel, S.A. for corporate income tax purposes are included in Telefonica de Espana, S.A.

The Parent Company has the following years open for review by the tax inspection authorities for the main taxes applicable to it :

Tax	Years
Corporate income tax	1993 and subsequent years
Local taxes	1991 and subsequent years
Personal income tax withholdings	1993 and subsequent years
VAT	1993 and subsequent years
Transfer tax	1990 and subsequent years
Withholdings from income from movable capital	1993 and subsequent years

The remaining consolidated Group companies have the last five years open for review by the tax inspection authorities for all taxes applicable to them.

NOTE 17. GUARANTEE COMMITMENTS TO THIRD PARTIES AND OTHER CONTINGENT LIABILITIES

Sintel, S.A. and the Group have provided guarantees for third parties to finance entities, government agencies, etc., basically to back project completion, as follows :

	Thousands of Pesetas	
	12/31/95	12/31/94
Group companies	89,830	233,068
Associated and multigroup companies	1,407,316	70,366
Other guarantees	1,387,451	4,613,681

The SIEMENS-SINTEL-PAGE joint venture and the SINTEHMAGREB joint venture have provided guarantees to customers for project completion amounting to approximately Ptas. 1,239,271,000 and Ptas. 437,348,000, respectively. The Parent Company is jointly and severally liable for the guarantees provided in proportion to its holdings (27.3% and 50.0%, respectively).

Management of the consolidated companies considers that the unforeseen liabilities, if any, as of December 31, 1995, which might arise from the guarantees provided would not be material.

NOTE 18. REVENUES AND EXPENSES

18.1 The breakdown of the Consolidated Group's ordinary net sales is as follows:

Geographical market	In Thousands of Pesetas		
	1995	1994	1993
Spain	31,469,416	28,669,295	
Venezuela	379,935	110,827	
Argentina	12,477,556	14,536,616	
Peru	2,704,981	138,972	

Total	47,031,888	43,455,710	46,676,818
	=====		

18.2 Transactions with Group companies

The transactions carried out in 1994 and 1995 with Telefonica de Espana, S.A., the Telefonica Group companies and the Company's investees, and the balances as of December 31, 1995 and 1994, are as follows:

1995

In Thousands of Pesetas

	Work-in- Process and Completed Work	Receivables from Group Companies	Receivables from Group Companies for Accrued Billings	Short-Term Loans to Group Companies	Long-Term Loans to Group Companies	Short-Term Payables to Group Companies	Long-Term Payables to Group Companies	Billings in excess of cost	Notes Payable to Group Companies
TELEFONICA	923,453	8,244,311	(75,858)	407,513	2,035,455	140,120	-	1,281,829	-
TELEFONICA GROUP DEPENDENT COMPANIES:	314,561	12,565,946	534,907	-	-	318,955	7,909,237	26,058	1,307
CABITEL	-	-	-	-	-	13	-	-	-
ESTRATEGIAS TELEFONICAS	-	33	-	-	-	-	-	28	-
MAPTEL	-	-	-	-	-	-	-	-	-
TELFISA	-	10,022,668	-	-	-	287,199	7,909,237	-	-
T. SERV. MOV.	253,598	1,685,520	476,595	-	-	-	-	25,382	909
T.S.I.P.	46,990	124,235	2,254	-	-	1,651	-	-	-
T.S.S.	-	-	-	-	-	29,953	-	-	398
T.S.A.I.	118	282	-	-	-	-	-	165	-
TELEFONICA INTERN. DE ESPANA	85	533	-	-	-	-	-	459	-
TELEFONICA SISTEMAS, S.A.	13,755	884	-	-	-	139	-	-	-
CPT PERU	-	730,036	56,058	-	-	-	-	-	-
PLAYA DE MADRID	-	257	-	-	-	-	-	-	-
TELEF. MULTIMEDIA	-	1,470	-	-	-	-	-	-	-
MENSATEL	15	28	-	-	-	-	-	24	-
TELEFONICA GROUP ASSOCIATED COMPANIES:	-	3,040,219	-	-	-	-	-	-	-
TELEFONICA ARGENTINA	-	3,040,219	-	-	-	-	-	-	-
SINTEL GROUP DEPENDENT COMPANIES:	15,382	-	-	-	-	-	-	-	-
SINTEL - PERU	4,100	-	-	-	-	-	-	-	-
SINTELAR	11,282	-	-	-	-	-	-	-	-
SINTEL GROUP ASSOCIATED COMPANIES:	505	3,391	-	90,734	-	-	-	-	-
SINABEN	505	3,391	-	-	-	-	-	-	-
SIETEL	-	-	-	90,734	-	-	-	-	-
Total	1,253,901	23,853,867	459,049	498,247	2,035,445	459,075	7,909,237	1,307,887	1,307

1995
In Thousands of Pesetas

	Purchases from Group Companies	Work Performed by Group Companies	Expenses Outside Services from Group Companies	Interest Payable on Debt to Group Companies	Revenues Sales to Group Companies	Other Current Operating Revenues from Group Companies	Financial Revenues from Group Companies
TELEFONICA	363	55	337,735	12,379	25,408,523	-	30,408
TELEFONICA GROUP SUBSIDIARIES:	88,933	2,102	268,375	935,648	5,432,698	9,688	-
TELEFONICA INTERNACIONAL	-	-	952	-	1,598	-	-
ANTARES	-	-	166,866	-	-	-	-
PLEYADE INDUSTRIAL	-	-	84,126	-	-	-	-
CABITEL	-	749	-	-	-	-	-
ESTRATEGIAS TELEF.	-	-	-	-	1,369	-	-
MAPTEL	-	-	-	-	5,613	-	-
CPT - PERU	-	-	-	-	3,131,062	-	-
PLAYA MADRID	-	-	13,033	-	221	-	-
MENSATEL	-	-	2,824	-	-	-	-
ST & HILO	-	-	154	-	-	-	-
T.S.I.P.	1,624	-	-	-	186,015	-	-
T.S.A.I.	-	-	420	-	78	-	-
TELEFONICA SISTEMAS, S.A.	240	-	-	-	7,590	-	-
TELFISA	-	-	-	935,648	-	-	-
TELYCO, S.A.	1,301	440	-	-	-	-	-
TSM	-	-	-	-	2,099,021	-	-
TSS	85,768	685	-	-	-	-	-
TSC	-	228	-	-	-	-	-
TS- MULTIMEDIA	-	-	-	-	131	9,688	-
Total	89,296	2,157	606,110	948,027	30,841,221	9,688	30,408

In Thousands of Pesetas

	Work-in- Process and Completed Work	Receivables from Group Companies	Receivables from Group Companies for Accrued Billings	Short-Term Loans to Group Companies	Long-Term Loans to Group Companies	Short-Term Payables to Group Companies	Long-Term Payables to Group Companies	Billings in excess of cost	Notes Payable to Group Companies
TELEFONICA	1,107,137	9,064,060	366,715	2,675,053	2,134,122	3,176	-	1,453,400	-
TELEFONICA GROUP DEPENDENT COMPANIES:	38,180	6,678,584	6,986	780	-	218,047	10,209,194	5,418	9,494
CABITEL	-	-	-	-	-	762	-	-	-
ESTRATEGIAS TELEFONICAS	-	538	-	-	-	-	-	-	-
MAPTEL	-	19,626	-	-	-	-	-	5,418	5,559
TELFISA	-	6,248,862	-	-	-	216,624	10,209,194	-	-
T. SERV. MOV. (TS-1)	8,710	69,874	-	-	-	-	-	-	-
T. S. I. P.	10,654	334,696	6,986	-	-	-	-	-	-
T. S. S.	-	-	-	-	-	-	-	-	3,250
T. S. A. I.	-	-	-	-	-	-	-	-	77
TELEFON. INTER. DE ESPANA, S.A.	-	-	-	-	-	-	-	-	547
TELEFONICA SISTEMAS, S.A.	18,816	4,988	-	780	-	203	-	-	-
TELYCO	-	-	-	-	-	458	-	-	61
SINTEL GROUP DEPENDENT COMPANIES:	-	-	-	3,114	-	13,711	65,339	-	-
SINTELAR	-	-	-	-	-	813	-	-	-
SINTEL VENEZUELA	-	-	-	-	-	-	65,339	-	-
SINTEL PERU	-	-	-	3,114	-	12,898	-	-	-
Total	1,145,317	15,742,644	373,701	2,678,947	2,134,122	234,934	10,274,533	1,458,818	9,494

In Thousands of Pesetas

	Assets			Liabilities		Provisions
	Receivable from Associated Companies	Receivable from Associated Companies for Accrued Billings	Advances to Suppliers	Loans to Associated Companies	Short-Term Payable for Purchases or services	Short-Term for Financial Investments
SINTEL GROUP ASSOCIATED COMPANIES:	-	-	57,810	-	171,028	-
COTRONIC, S.A.	-	-	57,810	-	171,028	-
INALCA, S.A.	14,429	2,851	2,315	-	15,165	-
INCOSA, S.A.	-	-	75,113	-	208,610	-
SIST. AVANZAD. DE CONTROL, S.A.	-	-	2,129	307,434	20,217	307,434
SERVICIOS 2.000 A.I.E.	46	-	-	-	-	-
Total	14,475	2,851	137,367	307,434	415,020	307,434

1994
In Thousands of Pesetas

	Purchases from Group Companies	Work Performed by Group Companies	Expenses Outside Services from Group Companies	Interest Payable on Debt to Group Companies	Other Current Operating Expenses Group Companies	Revenues Sales to Group Companies	Financial Revenues from Group Companies
TELEFONICA	-	-	-	117,058	323,581	22,037,213	214,743
TELEFONICA SUBSIDIARIES:	3,625	66,258	108,147	867,877	149,839	761,055	-
TELEFONICA INTERNACIONAL	-	-	4,758	-	-	-	-
ANTARES	-	-	-	-	120,199	-	-
PLEYADE INDUSTRIAL	-	-	94,510	-	-	-	-
CABITEL	-	1,091	-	-	-	-	-
ESTRATEGIAS TELEF.	-	-	-	-	-	817	-
MAPTEL	-	-	-	-	-	76,185	-
PLAYA MADRID	-	-	-	-	29,640	-	-
MENSATEL	-	-	607	-	-	-	-
ST & HILO	-	-	207	-	-	-	-
T.S.I.P.	-	-	-	-	-	496,424	-
T.S.A.I.	-	-	67	-	-	-	-
TELEFONICA SISTEMAS, S.A.	-	65,098	7,945	-	-	51,954	-
TELFISA	-	-	-	867,877	-	-	-
TELYCO, S.A.	741	-	53	-	-	-	-
TSM	58	-	-	-	-	131,779	-
TSS	2,826	-	-	-	-	3,896	-
TSC	-	69	-	-	-	-	-
Total	3,625	66,258	108,147	984,935	473,420	22,798,268	214,743

	In Thousands of Pesetas	
	Expenses Purchases and Outside Services	Revenues Sales and Services Rendered
TELEFONICA GROUP ASSOCIATED COMPANIES:	1,097	447
ERITEL	450	447
TELECOM. VALLES	647	-
SINTEL GROUP ASSOCIATED COMPANIES:	721,299	34,997
COTRONIC, S.A.	337,798	-
INALCA, S.A.	28,771	27,111
INCOSA, S.A.	302,229	7,886
SISTEMAS AVANZADOS DE CONTROL, S.A.	52,501	-
Total	722,396	35,444

No bad debt allowance has been recorded in the accompanying balance sheets as of December 31, 1995 and 1994, for accounts receivable from Group companies.

18.3 Labor force

The detail of the Sintel Group's average number of employees in 1995 and 1994 and of the personnel expenses is as follows:

	1995	1994	
Managers and graduates	442	448	
Nongraduate technicians	699	632	
Clerical staff, messengers, etc.	410	407	
Manual workers	2,586	2,426	
	-----	-----	
Total	4,137	3,913	
	=====	=====	
	In Thousands of Pesetas		
Personnel expenses	1995	1994	1993
Wages and salaries	11,241,251	12,317,539	12,899,024
Employee welfare expenses	3,305,196	3,375,652	3,609,402
Other personnel expenses	1,830,190	649,684	700,122
	-----	-----	-----
	16,376,637	16,342,875	17,208,548
Lump-sum payment	2,844,651	588,249	2,763,000
Annuity	156,157	-	-
	-----	-----	-----
Termination indemnities	3,000,808	588,249	2,763,000
Relocations	221,925	-	-
Processing of terminations for permanent disability (Medicalia)	77,675	-	-
Provision for early retirements	529,524	-	-
	-----	-----	-----
Restructuring cost	3,829,932	588,249	2,763,000
	-----	-----	-----
Total	20,206,569	16,931,124	19,971,548
	=====	=====	=====

18.4 The breakdown of the balances of "Extraordinary Expenses and Losses" and "Extraordinary Revenues" is as follows:

	In Thousand of Pesetas		
Extraordinary expenses	1995	1994	1993
Tax assessments	58,350	-	-
Spanish Employment Institute (INEM) courses	-	11,906	-
Other extraordinary expenses	222,868	161,560	-
	-----	-----	-----
Total	281,218	173,466	586,673
	=====	=====	=====
	In Thousands of Pesetas		
Extraordinary revenues	1995	1994	1993
Refund from insurance company	44,518	-	-
Provisions released	92,000	-	10,336
Other extraordinary revenues	208,313	-	38,756
	-----	-----	-----
Total	344,831	-	49,092
	=====	=====	=====

The Parent Company continued the labor force restructuring process which gave rise to the termination with indemnity payments of 413 employees in 1995, at a cost of Ptas. 2,844,651,000, and to the termination of 18 employees with future pension plan commitments amounting to Ptas. 156,157,000.

Also, as of December 31, 1995, management of the Parent Company reached an agreement with the workers' representatives for the early retirement of 35 employees in 1996 through 1999. A provision of approximately Ptas. 529,524,000 was recorded in 1995 in this connection, of which Ptas. 379,496,000 were included under the "Accrued liabilities - Long term" caption (see Note 12) and Ptas. 150,028,000 under the "Accrued liabilities - Short term" caption, based on maturity.

There were 91 terminations with indemnity payments at the Parent Company in 1994, the cost of which amounted to approximately Ptas. 588,249,000.

18.5 Individual company result

The contribution of each consolidated company to the loss for 1995 and 1994 is as follows:

Thousands of Pesetas 1995		
Consolidated (Loss) Income	Income (Loss) Attributed to Minority Interests	Total (Loss) Income for the Year
Sintel	(2,337,636)	(2,337,636)
Sintelar	(163,750)	(81,875)
Sietel	287,743	287,743
Servicios 2.000	(6,102)	(6,102)
Sintel Venezuela	(19,333)	(19,333)
Sintel Peru	271,198	(168,143)
Cotronic	57,661	(28,254)
Incosa	80,090	(39,164)
Sinaben Multimedia	306	-
Total	(1,829,823)	(1,983,509)

NOTE 19. OTHER INFORMATION

19.1 Directors' remuneration

The overall remuneration paid to the directors of Sintel, S.A. for discharging their functions at the various Group and associated companies amounted to approximately Ptas. 25,972,000 in 1995 and Ptas. 22,359,000 in 1994.

One of the directors of the Parent Company has availed himself, as an employee of SINTEL, S.A., of the pension plan for SINTEL employees, under the same conditions as those applicable to other employees. The pension plan contributions (annual cost) for this director amounted to Ptas. 386,666 in 1995 and Ptas. 383,399 in 1994.

The Parent Company granted no loans to the Board members and provided no guarantees for them.

19.2 Future prospects

As a result of the extraordinary losses arising from the labor force restructuring, the Parent Company incurred significant losses in 1995, although income was obtained from ordinary activities.

Management forecasts for 1996 sustained sales which, together with the effects of the 1995 restructuring, would enable the Parent Company to return to a profit-making situation.

However, the Parent Company's business activities and operations largely depend on its future financial capacity, backed by the financing received through Telfisa (see Note 14), and on the sales to its major customer and sole shareholder, Telefonica de Espana, S.A. (see Note 18.2).

NOTE 20. ADDITIONAL INFORMATION

The Sintel Group's consolidated loss for the years ended December 31, 1995, 1994 and 1993, is as follows according with the US GAAP format:

	In Thousands of Pesetas		
	1995	1994	1993
Net sales	47,031,888	43,455,710	46,676,608
Cost of sales	(36,743,602)	(35,274,388)	(38,415,697)
	-----	-----	-----
GROSS INCOME	10,288,286	8,181,322	8,260,911
General administrative and selling expenses	(7,466,198)	(7,452,575)	(6,587,120)
Restructuring cost	(3,829,932)	(588,249)	(2,894,000)
	-----	-----	-----
OPERATING (LOSS) INCOME	(1,007,844)	140,498	(1,220,209)
Other revenues (extraordinary and other)	484,386	298,072	322,440
Other expenses (extraordinary and other)	(230,475)	(223,861)	(17,872)
	-----	-----	-----
(LOSS) INCOME BEFORE INTEREST AND TAXES	(753,933)	214,709	(915,641)
Financial revenues	580,448	1,105,130	902,692
Financial expenses	(2,477,463)	(2,015,091)	(2,733,509)
	-----	-----	-----
INCOME BEFORE TAXES	(2,650,948)	(695,252)	(2,746,458)
Corporate income tax	821,125	252,527	566,213
Income attributed to minority interests	(153,686)	(333,492)	(532,253)
	-----	-----	-----
LOSS FOR THE YEAR	(1,983,509)	(776,217)	(2,712,498)
	=====	=====	=====

Item 7(b) - Pro forma financial information

The unaudited Pro Forma Condensed Consolidated Balance Sheet of the Company as of March 31, 1996 reflects the financial position of the Company after giving effect to the April 30, 1996 acquisition of Sistemas e Instalaciones de Telecomunicacion, S.A. ("Sintel"), a former wholly owned subsidiary of Telefonica de Espana, S.A. ("Telefonica") as if the Sintel acquisition took place on March 31, 1996. The unaudited Pro Forma Condensed Consolidated Statements of Continuing Operations for the fiscal year ended December 31, 1995 and the three months ended March 31, 1996 are presented as if the acquisition occurred on January 1, 1995 and are based on the results of continuing operations of the Company and Sintel for the year ended December 31, 1995 and the three months ended March 31, 1996. The pro forma adjustments include the sale of certain buildings by Sintel to Telefonica and the repayment by Telefonica of certain tax credits which occurred on April 1, 1996. These adjustments along with a capital contribution made by Telefonica to Sintel on March 28, 1996, are herein after referred to as the "Related Transactions".

The unaudited combined pro forma financial information is presented for illustrative purposes only, giving effect to the Sintel acquisition and Related Transactions, accounted for as a "purchase", as such term is used under generally accepted accounting principles. The unaudited combined pro forma financial information is not necessarily indicative of the future financial position or future results of continuing operations of the Company, or of the financial position or results from continuing operations of the Company that would have actually occurred had the transactions been in effect as of the date or for the periods presented. In addition, there are certain special charges, primarily severance costs, included in the operating results of Sintel totaling \$30.2 million and \$1.6 million for the year ended December 31, 1995 and for the three months ended March 31, 1996, respectively. The operating results of MasTec for the year ended December 31, 1995 include other special charges totaling \$23.1 million relating to the write down of real estate and other non-operating investments held for sale to estimated net realizable value. It should also be noted that the Company's consolidated statement of operations will reflect the Sintel acquisition commencing on April 30, 1996, the closing date.

The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the historical consolidated financial statements and related notes of the Company and Sintel.

Certain amounts reported in the Sintel historical consolidated financial information have been reclassified to conform with the MasTec presentations in the Unaudited Pro Forma Combined Balance Sheet and Statements of Continuing Operations. The historical consolidated financial statements of Sintel included in Item 7(a) above have been translated to U.S. dollars in accordance with Statement of Financial Accounting Standards No. 52 "Foreign Currency Translation" utilizing the exchange rate in effect at March 31, 1996 of 124 pesetas to \$1 and the average exchange rate of 124 pesetas to \$1 and 127 pesetas to \$1 for the three month period ended March 31, 1996 and the year ended December 31, 1995, respectively.

PRO FORMA FINANCIAL INFORMATION
MasTec, INC.
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
as of March 31, 1996
(unaudited)
(Dollars and shares in thousands)

	MasTec	Sintel	Pro forma Adjustments	1,2	Combined Pro forma
ASSETS					
Current assets					
Cash and cash equivalents	\$1,414	\$5,788	(\$5,323)	5	\$1,879
Accounts receivable-net	59,859	255,617	(27,999)	5	287,477
Notes receivable	25,829				25,829
Inventories	3,469	9,678	(1,398)	5	11,749
Deferred and refundable income taxes	2,168				2,168
Real estate investments	10,886				10,886
Investment in discontinued operations	6,622				6,622
Other	1,916	1,972	(833)	5	3,055
	-----	-----	-----		-----
Total current assets	112,163	273,055	(35,553)		349,665
Property-net	44,945	17,062	(8,824)	3(a),5	53,183
Investment in unconsolidated subsidiaries	17,594	2,582	6,427	5	26,603
Long term investments	1,770	9,424	(6,819)	3(d),5	4,375
Other assets	8,137	848	2,989	2,5	11,974
	-----	-----	-----		-----
TOTAL ASSETS	\$184,609	\$302,971	(\$41,780)		\$445,800
	=====	=====	=====		=====

PRO FORMA FINANCIAL INFORMATION
MasTec, INC.
PRO FORMA CONDENSED CONSOLIDATED BALANCE SHEET
as of March 31, 1996
(unaudited)
(Dollars and shares in thousands)

	MasTec	Sintel	Pro forma Adjustments	1,2	Combined Pro forma
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Current maturities of debt	\$35,669	\$81,590	\$1,907	4,5	\$119,166
Accounts payable	15,114	129,230	(18,835)	5	125,509
Accrued income taxes	2,846		2,118	3(b)	4,964
Other	14,844	13,949	9,751	2,4	38,544
	-----	-----	-----		-----
Total current liabilities	68,473	224,769	(5,059)		288,183
Deferred income taxes	6,444				6,444
Accrued insurance	8,057				8,057
Accrued pension		14,178			14,178
Other liabilities	3,811	8,201	(196)	5	1,816
	-----	-----	-----		-----
Total other liabilities	18,312	22,379	(196)		40,495
Minority interest		8,345	(7,016)	5	1,329
Long-term debt	33,990	5,517	12,452	3(e),4	51,959
Convertible subordinated debentures	9,625				9,625
	-----	-----	-----		-----
Total long-term debt	43,615	5,517	12,452		61,584
Shareholders' equity					
Common stock	2,643	49,194	(49,194)	6	2,643
Capital surplus	134,187				134,187
Retained earnings	9,344	(7,233)	7,233	3(c),6	9,344
Accumulated translation adjustments	3				3
Treasury stock	(91,968)				(91,968)
	-----	-----	-----		-----
Total shareholders' equity	54,209	41,961	(41,961)		54,209
	-----	-----	-----		-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$184,609	\$302,971	(\$41,780)		\$445,800
	=====	=====	=====		=====

PRO FORMA FINANCIAL INFORMATION
MasTec, INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT
OF CONTINUING OPERATIONS
for the three months ended March 31, 1996
(unaudited)
(Dollars and shares in thousands except per share amounts)

	MasTec 1996	Sintel 1996	Pro forma Adjustments	1,2	Combined Pro forma
Revenue	\$ 62,547	\$ 82,422	\$ (21,207)	5	\$ 123,762
Costs of revenue	47,330	62,478	(16,755)	5	93,053
	-----	-----	-----		-----
Gross profit	15,217	19,944	(4,452)		30,709
General and administrative	6,478	11,481	(3,001)	5	14,958
Depreciation and amortization	2,262	1,228	(445)	5,7(b)	3,045
	-----	-----	-----		-----
Operating income	6,477	7,235	(1,006)		12,706
Interest expense	1,677	4,244	(915)	5,7(a)	5,006
Interest and dividend income	(839)	(259)	219	5	(879)
Other (income) expense, net	(8)	1,772	(1,821)	5	(57)
Special charges	0	1,561			1,561
	-----	-----	-----		-----
Income (loss) before income taxes	5,647	(83)	1,511		7,075
Equity in earnings of unconsolidated companies	366	561	(533)	5	394
Provision (benefit) for income taxes	2,323	(29)	178	7(c)	2,472
Minority interest	5	118	(468)	5	(345)
	-----	-----	-----		-----
Income (loss) from continuing operations	\$ 3,695	\$ 625	\$ 332		\$ 4,652
	=====	=====	=====		=====
Average shares outstanding	16,155				16,155
Earnings(loss) per share from continuing continuing operations	\$ 0.23				\$ 0.29
	=====				=====

PRO FORMA FINANCIAL INFORMATION
Mastec, INC.
PRO FORMA CONDENSED CONSOLIDATED STATEMENT
OF CONTINUING OPERATIONS
for the year ended December 31, 1995
(unaudited)
(Dollars and shares in thousands except per share amounts)

	MasTec	Sintel	Pro forma Adjustments	1,2	Combined Pro forma
Revenue	\$ 174,583	\$ 370,330	\$(114,828)	5	\$ 430,085
Costs of revenue	130,762	289,320	(96,187)	5	323,895
	-----	-----	-----		-----
Gross Profit	43,821	81,010	(18,641)		106,190
General and administrative	19,081	53,968	(14,327)	5	58,722
Depreciation and amortization	6,913	4,821	(1,628)	5,7(b)	10,106
	-----	-----	-----		-----
Operating income	17,827	22,221	(2,686)		37,362
Interest expense	4,954	19,508	(5,199)	5,7(a)	19,263
Interest and dividend income	(3,349)	(2,350)	1,357	5	(4,342)
Other income, net	(2,028)	(1,999)	337	5	(3,690)
Special charges	23,086	30,157			53,243
	-----	-----	-----		-----
(Loss) income before income taxes	(4,836)	(23,095)	819	5	(27,112)
Equity in earnings (losses) of unconsolidated companies	(300)	2,220	167	5	2,087
(Benefit) provision for income taxes	(1,835)	(6,466)	405	5,7(c)	(7,896)
Minority interest	161	(1,210)	679	5	(370)
	-----	-----	-----		-----
(Loss) income from continuing operations	\$ (3,140)	\$ (15,619)	\$1,260		\$ (17,499)
	=====	=====	=====		=====
Average shares outstanding	16,046				16,046
Loss per share from continuing operations	\$ (0.20)				\$ (1.09)
	=====				=====

Notes to Unaudited Pro Forma Combined Financial Information

1. Terms of the Acquisition- On April 30, 1996 (the closing date), MasTec purchased all of the outstanding stock of Sintel from Telefonica for Spanish Pesetas ("Pesetas") 4.9 billion (US\$39.5 million at an exchange rate of 124 Pesetas to \$1 U.S. dollar). An initial payment of Pesetas 650 million (US \$5.2 million) was made on April 30, 1996, a second payment of Pesetas 650 million (US \$5.2 million) is due December 31, 1996 and the balance of the purchase price, Pesetas 3.6 billion (US\$ 29.1 million), is due to be paid in two equal installments at year-end 1997 and 1998. As part of the purchase and sale agreement, Telefonica made a capital contribution of Pesetas 3 billion (US\$ 24.2 million) on March 28, 1996 and on April 1, 1996 purchased several buildings for Pesetas 1.5 billion (US\$ 12 million) and repaid tax credits previously utilized by Telefonica of Pesetas 581 million (US\$ 4.7 million). The capital contribution, sale of buildings and repayment of tax credits are herein referred to as the Related Transactions. The proceeds generated by the Related Transactions totaling US\$ 41 million were used to reduce Sintel's outstanding debt.

2. Purchase Price Allocation-The purchase price of \$39.5 million plus expenses of \$ 162,000 have been allocated to the estimated fair value of acquired assets and assumed liabilities after taking into consideration the Related Transactions previously described. Managements' preliminary estimate of fair value approximated that of the carrying value of the net assets acquired as of March 31, 1996 after reflecting a reserve for involuntary employee termination benefits of \$ 9.5 million and the resulting deferred tax asset of \$3.4 million. The final allocation will be contingent upon final assessment of the fair value of the net assets acquired. The allocation reflects management's best estimate based upon currently available information and significant differences from that currently presented are not expected.

3. Related Transaction Adjustments-The following adjustments have been made to reflect all of the Related Transactions which were consummated on April 1, 1996. No adjustment has been made regarding the capital contribution of \$24.2 million as this transaction is reflected in Sintel's March 31, 1996 Consolidated Balance Sheet (see Note 1) (dollars in thousands):

3a)To reduce property, at cost, net of accumulated depreciation to reflect sale to Telefonica	\$ 5,948
3b)To record taxes payable related to gain of \$6,052 on sale of property to Telefonica	\$ 2,118
3c)To record net gain on sale of property	\$ 3,934
3d)To reduce long term investments to reflect the repayment by Telefonica of tax credits utilized by Telefonica in prior periods	\$ 4,648
3e)To reduce Sintel's long term debt with the proceeds from the sale of buildings and repayment of tax credits	\$ 16,648

4. Purchase Price Payment and Financing Adjustments-To record \$5.2 million dollar payment made to Telefonica on the closing date in accordance with the terms of the purchase and sale agreement, which was assumed to be financed by MasTec for purposes of the pro forma adjustments, the financing by Telefonica of the balance of the purchase price (\$34.3 million of which \$5.2 million is current and \$29.1 million is long term) and \$162,000 in anticipated expenses.

5. Adjustments related to Equity Method Accounting- Although the Company exercises control over the daily operations of Sintelar and Sintel Peru (50% and 38% ownership, respectively), as a result of the acquisition, Sintel no longer has an indirect holding in these entities (see Note 1 to Sintel's Consolidated Financial Statements). Accordingly, the following adjustments have been made to reflect the investment in Sintelar and Sintel Peru under the equity method of accounting:

	March 31, 1996	
Reduce :		
Cash and cash equivalents	\$	5,323
Accounts receivable		27,999
Inventories		1,398
Other current assets		833
Property-net		2,876
Long term investments		2,171
Other assets		366
Accounts payable and accrued expenses		18,835
Current portion of long term debt		8,493
Other liabilities		196
Minority interest		7,016
Increase:		
Investment in unconsolidated companies		6,427

	Three months ended		Year ended
	March 31, 1996		December 31, 1995
Reduce:			
Revenue	\$	21,207	\$ 114,828
Costs of revenue		16,755	96,187
General and administrative expenses		3,001	14,327
Depreciation and amortization		392	1,345
Interest expense		459	3,548
Interest income		219	1,357
Other expense (income), net		1,821	337
Adjust:			
Equity in earnings (losses) of unconsolidated companies		533	(167)
Provision (benefit) for income taxes		0	268
Minority interest		468	(679)

6. Elimination of Sintel equity.

7. Pro Forma Income Statement Adjustments- The Company's pro forma income statement data for the three months ended March 31, 1996 and the year ended December 31, 1995 presents the effects of the Sintel acquisition and Related Transactions as if they occurred as of January 1, 1995, including:

	Three months ended March 31, 1996	Year ended December 31, 1995
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a. The Pro Forma adjustments to interest expense are as follows:		
To reduce interest expense resulting from the cash received (\$41 million) from the Related Transactions (see Note 1) (at 9.6 % for 1996 and 10.2% for 1995)	\$ (983)	\$ (4,081)
To record interest expense related to debt incurred in connection with the Sintel acquisition (see Note 4) (at 6.2% per annum)	527	2,430
Total pro forma interest expense adjustment	\$ (456) =====	\$ (1,651) =====
b. Decrease in depreciation expense related to the buildings sold to Telefonica (see Note 3)	\$ (53) =====	\$ (283) =====
c. To record tax effect related to the interest and depreciation adjustments reflected above	\$ 178 =====	\$ 673 =====

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.

Date: July 15, 1996

MASTEC, INC.

/s/ Edwin D. Johnson

Edwin D. Johnson
Senior Vice President-
Chief Financial Officer
(Principal Financial Officer
and Authorized Officer)