SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 1998
Commission file number 0-3797

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(Exact name of registrant as specified in its charter)

Florida	65-0829355
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
3155 N.W. 77th Avenue, Miami, FL	33122-1205
(Address of principal executive offices)	(Zip Code)

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

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

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

Class of Common Stock	Outstanding as of November 13, 1998
$ 0.10 par value	27,447,272

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No .

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1998	1997	1998	1997
Revenue	$288,606	$184,562	$720,807	$456,204
Costs of revenue	218,513	142,874	557,707	337,913
Depreciation and amortization	11,830	5,737	30,994	14,044
General and administrative expenses	31,974	19,179	99,406	54,366
Operating income	26,289	16,772	32,700	49,881
Interest expense	7,788	2,579	19,916	8,034
Interest and dividend income	2,621	420	6,010	1,212
Other income, net	1,053	773	2,467	1,712
Income before provision for income taxes, equity in earnings of unconsolidated companies, and minority interest	22,175	15,386	21,261	44,771
Provision for income taxes	8,966	6,097	9,769	16,624
Equity in earnings of unconsolidated companies	803	961	1,558	2,277
Minority interest	(599)	(1,752)	(2,344)	(1,813)
Net income	$ 13,413	$ 8,498	$ 10,706	$ 28,611
Basic earnings per share:				
Weighted average common shares outstanding	27,428	26,825	27,640	26,093
Earnings per share	$ 0.49	$ 0.32	$ 0.39	$ 1.10
Diluted earnings per share:				
Weighted average common shares outstanding	27,672	27,552	28,010	26,680
Earnings per share	$ 0.48	$ 0.31	$ 0.38	$ 1.07

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

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

	September 30, 1998	December 31, 1997
ASSETS		
Current assets:		
Cash and cash equivalents	$ 14,283	$ 6,063
Accounts receivable-net and unbilled revenue	426,257	346,596
Inventories	16,104	8,746
Other current assets	37,355	32,791
Total current assets	493,999	394,196
Property and equipment-net	145,632	86,109
Investments in unconsolidated companies	69,316	48,160
Other assets	185,417	101,759
TOTAL ASSETS	$894,364	$630,224
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current maturities of debt	$ 77,924	$ 54,562
Accounts payable	197,113	166,596
Other current liabilities	70,237	48,950
Total current liabilities	345,274	270,108
Other liabilities	42,069	41,924
Long-term debt	280,872	94,495
Common stock	2,733	2,758
Capital surplus	144,336	154,013
Retained earnings	81,098	70,392
Accumulated translation adjustment	(2,018)	(3,466)
Total shareholders' equity	226,149	223,697
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$894,364	$630,224

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

MasTec, Inc.
CONDENSED CONSOLIDATED STATEMENT OF
SHAREHOLDERS' EQUITY
for the nine months ended September 30, 1998
(in thousands)
(Unaudited)

	Common Stock				Accumulated	
	Issued Shares	Amount	Capital Surplus	Retained Earnings	Translation Adjustment	Total
Balance, December 31, 1997	27,580	$ 2,758	$ 154,013	$ 70,392	$ (3,466)	$ 223,697
Net income				10,706		10,706
Cumulative effect of translation					1,448	1,448
Stock issued	411	41	3,859			3,900
Repurchase of common stock	(657)	(66)	(13,536)			(13,602)
Balance, September 30, 1998	27,334	$ 2,733	$ 144,336	$ 81,098	$ (2,018)	226,149

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

MASTEC, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	NINE MONTHS ENDED SEPTEMBER 30,	
	1998	1997
Cash flows from operating activities:		
Net income	$ 10,706	$ 28,611
Adjustments to reconcile net income to net cash provided by operating activities:		
Minority interest	2,344	1,813
Depreciation and amortization	30,994	14,044
Equity in earnings of unconsolidated companies	(1,558)	(2,277)
Gain on sale of assets	(246)	(632)
Changes in assets and liabilities net of effect of acquisitions and divestitures:		
Accounts receivable-net and unbilled revenue	(31,829)	19,321
Inventories and other current assets	5,293	(735)
Other assets	(16,374)	(910)
Accounts payable and accrued expenses	(1,407)	(30,241)
Income taxes	18,760	2,422
Other current liabilities	4,616	(1,393)
Other liabilities	(6,398)	(2,255)
Net cash provided by operating activities	14,901	27,768
Cash flows from investing activities:		
Cash paid for acquisitions, net of cash acquired	(74,946)	(21,523)
(Advances) repayment of notes receivable	(30,794)	1,345
Capital expenditures	(57,460)	(15,761)
Investment in unconsolidated companies	(20,853)	(4,165)
Proceeds from sale of assets	3,623	9,788
Net cash used in investing activities	(180,430)	(30,316)
Cash flows from financing activities:		
Proceeds (repayments) from revolving credit facilities	24,393	36,704
Proceeds from Notes	199,724	1,728
Financing costs	(4,993)	(587)
Debt repayments	(35,766)	(41,183)
Net (payments) proceeds for common stock(repurchased)issued	(9,677)	4,081
Net cash provided by financing activities	173,681	743
Net increase (decrease) in cash and cash equivalents	8,152	(1,805)
Effect of translation on cash	68	(361)
Cash and cash equivalents - beginning of period	6,063	4,754
Cash and cash equivalents - end of period	$ 14,283	$ 2,588
Supplemental disclosures of cash flow information:		
Cash paid during the period:		
Interest	$ 15,366	$ 7,266
Income taxes	$ 32,349	$ 10,437

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

MASTEC, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Continued)
(In thousands)
(Unaudited)

Supplemental disclosure of non-cash investing and financing activities:

	Nine Months Ended September 30,	
	1998	1997
Acquisitions:		
Fair value of assets acquired:		
Accounts receivable	$ 32,568	$ 36,416
Inventories	2,462	919
Deferred and refundable income taxes	1,024	-
Other current assets	520	1,362
Property and equipment	26,414	20,222
Other assets	3,029	1,700
Total non-cash assets	66,017	60,619
Liabilities	18,802	21,035
Debt	17,746	12,523
Total liabilities assumed	36,548	33,558
Net non-cash assets acquired	29,469	27,061
Cash acquired	4,644	2,900
Fair value of net assets acquired	34,113	29,961
Excess over fair value of assets acquired	54,106	70,959
Purchase price	$ 88,219	$ 100,920
Note payable issued for acquisitions	$ 8,629	$ 130
Cash paid and common stock issued for acquisitions	79,590	90,895
Contingent consideration	-	9,895
Purchase price	$ 88,219	$ 100,920
Property acquired through financing arrangements	$ -	$ 413

In 1997, the Company issued approximately 1,621,000 shares of Common Stock for domestic acquisitions of which 250,000 shares were issued from treasury stock at a cost of approximately $1.6 million.

In 1997, the Company converted a note receivable and accrued interest thereon totaling $29 million into stock of a company.

In 1998, the Company issued approximately 136,000 shares of stock primarily as payment for contingent consideration related to 1997 acquisitions. In addition, the Company issued approximately 40,000 shares as bonuses to certain employees and fees to directors.

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

1. CONSOLIDATION AND PRESENTATION

The accompanying unaudited condensed consolidated financial statements of MasTec, Inc. ("MasTec" or the "Company") have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions for Form 10-Q and Rule 10-01 of Regulation S-X. They do not include all information and notes required by generally accepted accounting principles for complete financial statements and should be read in conjunction with the financial statements and notes thereto included in the Company's annual report on Form 10-K and Form 8-K filed September 8, 1998, for the year ended December 31, 1997. The year end condensed balance sheet data was derived from the Form 8-K but does not include all disclosures required by generally accepted accounting principles. The financial information furnished reflects all adjustments, consisting only of normal recurring accruals which are, in the opinion of management, necessary for a fair presentation of the financial position and results of operations for the periods presented. The results of operations are not necessarily indicative of future results of operations or financial position of MasTec. Certain prior year amounts have been reclassified to conform to the current presentation.

During the second quarter of 1998, the Company applied purchase accounting to two 1997 acquisitions previously accounted for using pooling-of-interests. The change occurred due to transactions with management of the acquired companies which occurred in the second quarter of 1998 and the potential for future consideration that may have required the use of purchase accounting (see Note 8). The change in accounting resulted in an increase to capital surplus and intangible assets of $53 million. No other significant changes to previously reported balance sheet amounts were recorded. The resulting goodwill is being amortized over 40 years. As a result, third quarter and nine month results in 1998 include amortization expense of $333,000 and $1 million, respectively, related to additional amortization expense from the change in accounting method. For both the third quarter and nine month period in 1997, amortization expense of approximately $200,000 is included in operating results.

2. COMPREHENSIVE INCOME

The Company has adopted Statement of Financial Accounting Standards ("SFAS") No. 130, "Reporting Comprehensive Income", which establishes standards for the reporting and display of comprehensive income and its components in general purpose financial statements for the year ended December 31, 1998. The table below sets forth "comprehensive income" as defined by SFAS No. 130 for the three and nine month period ended September 30:

	Three months ended September 30,		Nine months ended September 30,	
	1998	1997	1998	1997
Net income	$ 13,413	$ 8,498	$ 10,706	$ 28,611
Other comprehensive income:				
Unrealized translation gain (loss)	1,906	(850)	1,448	(751)
Comprehensive income	$ 15,319	$ 7,648	$ 12,154	$ 27,860

3. ACQUISITIONS

During the nine months ended September 30, 1998, the Company completed certain acquisitions which have been accounted for under the purchase method of accounting. Accordingly, the results of operations have been included in the Company's condensed consolidated financial statements from the respective acquisition dates. If the acquisitions had been made at the beginning of 1998 or 1997, pro forma results of operations would not have differed materially from actual results. Acquisitions made in 1998 were M.E. Hunter, Inc. of Atlanta, Georgia, C & S Directional Boring, Inc. of Purcell, Oklahoma, Office Communications Systems, Inc. of Inglewood, California, Phasecom Systems, Inc. of Toronto, Canada, P&E Electric Company, Inc. of Nashville, Tennessee, Lessard-Nyren Utilities, Inc. of Hugo, Minnesota, Electronic Equipment Analyzers, Inc. of Raleigh, North Carolina, Cotton and Taylor of Las Vegas, Nevada, Stackhouse, Inc. of Goldsboro, North Carolina, Martin Telephone Contractors, Inc. of Cades, South Carolina, ten telecommunications infrastructure and utility contractors with operations primarily in the western, northern and southeastern United States as well as Canada. Additionally, the Company made four international acquisitions of telecommunications infrastructure contractors: CIDE Engenharia Ltda. of Brazil, Acietel Mexicana, S.A. of Mexico, Artcom Services, Inc. of Puerto Rico and Proyco Ltda. of Colombia.

Intangible assets of approximately $ 152 million resulting from acquisitions since 1996 are included in other long-term assets and principally consist of the excess acquisition cost over the fair value of the net assets acquired (goodwill). Goodwill associated with acquisitions is being amortized on a straight-line basis over a range of 15-40 years. The Company periodically reviews goodwill to assess recoverability.

4. DEBT

Debt is comprised of the following (in thousands):

	September 30, 1998	December 31, 1997
Revolving Credit Facility, at LIBOR plus 1.50% (7.16% at September 30, 1998 and 6.96% at December 31, 1997)	$ 71,500	$ 83,010
Revolving Credit Facility, at MIBOR plus 0.30 (5.60% at December 31, 1997)	-	10,894
Other bank facilities, denominated in Spanish pesetas, at interest rates from 4.75% to 6.75% at September 30, 1998 and 5.65% to 6.75% at December 31, 1997 due in 1999	43,470	17,438
Other bank facilities denominated in Brazilian reals at a weighted average rate of 27.7% at September 30, 1998	3,457	-
Other bank facility at LIBOR plus 1.25% (6.91% at September 30, 1998)	5,000	-
Notes payable for equipment, at interest rates from 7.5% to 8.5% due in installments through the year 2000	9,913	14,500
Notes payable for acquisitions, at interest rates from 7% to 8% due in installments through February 2000	25,714	23,215
Senior subordinated notes, 7.75% due 2008	199,742	
Total debt	358,796	149,057
Less current maturities	77,924	54,562
Long-term debt	$ 280,872	$ 94,495

The Company has a $125.0 million revolving credit facility, (the "Credit Facility") from a group of financial institutions led by BankBoston, N.A. maturing on June 9, 2000. The Credit Facility is collateralized by the stock of the Company's principal domestic subsidiaries and a portion of the stock of Sintel, S.A., the Company's Spanish subsidiary ("Sintel").

Additionally, the Company has several credit facilities denominated in Spanish Pesetas. At September 30, 1998 and December 31, 1997, the Company had $67.9 million (9.6 billion Pesetas) and $50.6 million (7.7 billion Pesetas), respectively, of debt denominated in Pesetas, including $24.4 million and $22.3 million, respectively, remaining under the acquisition debt incurred to acquire Sintel. The Company has paid a portion of the December 31, 1997 installment of the acquisition debt. Management expects to settle this obligation in connection with the proposed sale of its Sintel subsidiary (see Note 8).

On January 30, 1998, the Company sold $200.0 million, 7.75% senior subordinated notes (the "Notes") due in 2008 with interest due semi-annually.

The Credit Facility and Notes contain certain covenants that, among other things, restrict the payment of dividends and limit the Company's ability to incur additional debt, create liens, dispose of assets, merge or consolidate with another entity or make other investments or acquisitions. These covenants also require the Company to maintain minimum amounts of shareholders' equity and to meet certain financial ratio coverages, among others, minimum ratios at the end of each fiscal quarter of debt to earnings before interest, taxes, depreciation and amortization and earnings to interest expense.

5. OPERATIONS BY GEOGRAPHIC AREAS

The Company's principal source of revenue is the provision of telecommunications infrastructure construction services in North America, Spain and the Caribbean and Latin American region (CALA), primarily Brazil. Significant CALA operations commenced on August 1, 1997 with the acquisition of MasTec Inepar.

	As of September 30, 1998	1997
Revenue		
North America	$ 474,379	$ 265,858
Spain	151,409	155,348
CALA	95,019	34,998
Total	$ 720,807	$ 456,204
Operating income (loss)		
North America (1)	33,324	34,800
Spain (2)	(6,158)	9,941
CALA	5,534	5,140
Total	$ 32,700	$ 49,881
Identifiable assets		
North America	$ 399,017	$ 170,404
Spain	141,233	175,932
CALA	80,062	36,139
Corporate	274,052	209,817
Total	$ 894,364	$ 592,292

(1) North American operations were impacted by several factors including special charges of $4.0 million in the first quarter of 1998.
(2) Operating loss in 1998 is due to severance charges totaling $13.4 million recorded in the first quarter of 1998.

There are no material transfers between geographic areas. Operating income consists of revenue less operating expenses, and does not include interest expense, interest and other income, equity in earnings of unconsolidated companies, minority interest and income taxes. Domestic operating income is net of corporate general and administrative expenses. Identifiable assets of geographic areas are those assets used in the Company's operations in each area. Corporate assets include cash and cash equivalents, investments in unconsolidated companies, real estate held for sale, notes receivable and goodwill of which approximately $152 million is included in other assets. The Company expects to broaden its segment disclosure to provide additional information on product lines pursuant to FASB Statement No. 131 Disclosures about Segments of an Enterprise and Related Information.

6. SIGNIFICANT CUSTOMERS AND CONCENTRATION OF CREDIT RISK

The Company derives a substantial portion of its revenue from the provision of telecommunications infrastructure services to Telefonica, S.A. ("Telefonica"), BellSouth Telecommunications Corp. ("BellSouth") and the operating companies of Telecomunicacoes Brasileiras S.A. ("Telebras"). For the nine months ended September 30, 1998, approximately 14%, 13% and 7% of the Company's revenue was derived from services performed for Telefonica, Telebras, and BellSouth, respectively. During the nine months ended September 30, 1997, the Company derived 27%, 13% and 7% of its revenue from Telefonica, BellSouth and Telebras, respectively. Although the Company's strategic plan envisions diversification of its customer base, the Company anticipates that it will continue to derive a significant portion of its revenue in the future from certain of these customers (see Note 8).

7. COMMITMENTS AND CONTINGENCIES

In December 1990, Albert H. Kahn, a stockholder of the Company, filed a purported class action and derivative suit in Delaware state court against the Company, the then-members of its Board of Directors, and National Beverage Corporation ("NBC"), the Company's then-largest stockholder. The complaint alleges, among other things, that the Company's Board of Directors and NBC breached their respective fiduciary duties in approving certain transactions.

In November 1993, Mr. Kahn filed a class action and derivative complaint against the Company, the then members of its Board of Directors, and Jorge L. Mas, Jorge Mas and Juan Carlos Mas, the principal shareholders of the Company. The 1993 lawsuit alleges, among other things, that the Company's Board of Directors and NBC breached their respective fiduciary duties by approving the terms of the acquisition of the Company by the Mas family, and that the Mas family had knowledge of the fiduciary duties owed by NBC and the Company's Board of Directors and knowingly and substantially participated in the breach of these duties. The lawsuit also claims derivatively that each member of the Company's Board of Directors engaged in mismanagement, waste and breach of fiduciary duties in managing the Company's affairs prior to the acquisition by the Mas family.

There has been no activity in either of these lawsuits in more than a year. The Company believes that the allegations in each of the lawsuits are without merit and intends to defend these lawsuits vigorously.

In November 1997, Church & Tower, Inc. a subsidiary of the Company ("Church and Tower") filed a lawsuit against Miami-Dade County (the "County") in Florida state court alleging breach of contract and seeking damages exceeding $3.0 million in connection with the County's refusal to pay amounts due to Church & Tower under a multi-year agreement to perform road restoration work for the Miami-Dade Water and Sewer Department ("MWSD"), a department of the County, and the County's wrongful termination of the agreement. The County has refused to pay amounts due to Church & Tower under the agreement until alleged overpayments under the agreement have been resolved, and has counterclaimed against the Company seeking damages that the Company believes will not exceed $2.1 million. The Company believes that any amounts due to the County under the existing agreement are not material and may be recoverable in whole or in part from Church & Tower subcontractors who actually performed the work and whose bills were submitted directly to the County.

The Company is a party to other pending legal proceedings arising in the normal course of business, none of which the Company believes is material to the Company's financial position or results of operations.

The Company continues to pursue a strategy of growth through acquisitions and internal expansion. During 1998, the Company completed 14 acquisitions for $88.2 million in cash and seller financing. Additionally, the Company believes that there are significant business opportunities available to it that may require the Company to provide customer financing in connection with the sale of its services. As of September 30, 1998, the Company had entered into financing agreements to provide financing to two customers. As of September 30, 1998, the Company had $19.8 million outstanding under these agreements. The Company anticipates that it will provide an additional $20.0 million of financing under these agreements over the next 12 months.

The Company has committed to continue developing a PCS cellular phone system in Paraguay of which the Company owns 90%. The Company anticipates investing approximately $20.0 million for the development of this system over the next 12 months.

8. SUBSEQUENT EVENTS

In October 1998, the Company announced an agreement to sell its Spanish subsidiary Sintel to a group of investors led by Inversiones Ibersuizas S.A., a Spanish investment firm. The agreement is for a fixed purchase price plus the assumption of all of Sintel's consolidated debt. The agreement includes all of Sintel's affiliates, including its operations in Spain, Argentina, Chile, Colombia, Peru, Puerto Rico and Venezuela. The closing of the agreement is subject to satisfactory due diligence and a number of other contingencies. Until all of the contingencies are met, there can be no assurance that the transaction will close. The closing is anticipated to occur before December 31, 1998.

The Company is negotiating with management personnel at certain of the Company's subsidiaries acquired in 1997 for the continuation of their employment and/or consulting services for five years from the date of definitive agreements. In addition, pre-existing non-competition and non-solicitation agreements are proposed to be modified and to be extended to a term of ten years from the date of the definitive agreements. As consideration for these agreements, the Company proposes to pay certain compensation for the employees' employment and non-competition agreements, including cash compensation, stock and option awards and certain other compensation. The Company also proposes to repurchase shares of the Company's common stock issued in connection with the 1997 acquisitions and owned by certain of these employees in three transactions over the next thirteen months. In total these agreements, if concluded, will require cash payments (including for the repurchase of the common stock) of $35 million in 1998, $32 million in two installments in 1999 and $3.2 million in 2000, 2001 and 2002. The definitive agreements are still subject to further negotiation and to final Board approval. There can be no assurance that definitive agreements will be executed, or if executed, that they will be at the terms described above.

ITEM 2

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

Certain statements in this Quarterly Report are forward-looking, such as statements regarding the Company's future growth and profitability. These forward looking statements are based on the Company 's current expectations and are subject to a number of risks and uncertainties that could cause actual results in the future to significantly differ from results expressed or implied in any forward-looking statements included in this Quarterly Report. These risks and uncertainties include, but are not limited to, the Company's relationship with key customers, implementation of the Company's growth strategy, and seasonality. These and other risks are detailed in this Quarterly Report and in other documents filed by the Company with the Securities and Exchange Commission.

Overview

MasTec is one of the largest contractors specializing in the build-out of telecommunications and other utilities infrastructure. The Company's business consists of the design, installation and maintenance of the outside physical plant for telephone and cable television communications systems and of integrated voice, data and video local and wide area networks inside buildings, and the installation of central office telecommunications equipment. The Company also provides infrastructure construction services to the electric power industry and other public utilities.

During the nine months ended September 30, 1998, the Company's North American operations were affected by a number of factors including severe weather conditions experienced during the first quarter of 1998, among other things, and performance issues in two divisions.

In March 1998, Sintel entered into an agreement with its unions to resolve a labor dispute. As a result of the agreement reached, the Company recorded a severance charge related to operational personnel and administrative personnel of $1.9 million and $11.5 million, respectively. The total charge of $13.4 million negatively impacted the Company's operating margins in the first quarter of 1998. On October 16, 1998, the Company announced an agreement to sell its Spanish subsidiary and its affiliates in Argentina, Chile, Colombia, Peru, Puerto Rico and Venezuela to focus on operations in North America.

In July 1998, the Brazilian government privatized the Telebras wireline and wireless telephone companies. As a result of the privatization, the Company anticipates that it will increase its sales in the CALA region. However, global deregulation and consolidation within the telecommunications industry may delay or depress capital spending among telecommunications providers as they assess their new business plans and strategies and focus on administrative and operational issues associated with their acquisitions or alliances.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Three Months Ended September 30, 1998 compared to
Three Months Ended September 30, 1997

Results of Operations

Revenue is generated primarily from telecommunications and other utilities infrastructure services. Infrastructure services are provided to telephone companies, public utilities, cable television operators, other telecommunications providers, governmental agencies and private businesses. Costs of revenue includes subcontractor costs and expenses, materials not supplied by the customer, fuel, equipment rental, insurance, operations payroll and employee benefits. General and administrative expenses include management salaries and benefits, rent, travel, telephone and utilities, professional fees and clerical and administrative overhead.

The following table sets forth certain historical consolidated financial data and supplemental information as a percentage of revenue by geographic region for the three months ended September 30, 1998 and 1997 (in thousands unless otherwise indicated).

North America:	1998		1997	
Revenue	$ 198,903	100.0%	$ 105,424	100.0%
Costs of Revenue	147,045	73.9%	78,096	74.1%
Depreciation and amortization	9,447	4.7%	5,137	4.9%
General and administrative expenses	19,553	9.8%	9,412	8.9%
Operating income	22,858	11.5%	12,779	12.1%
Interest expense	5,822	2.9%	1,814	1.7%
Interest and dividend income and other income, net, equity in unconsolidated companies and minority interest	926	0.5%	885	0.8%
Income from operations before provision for income taxes	17,962	9.0%	11,850	11.2%
Provision for income taxes	6,960	3.5%	4,900	4.6%
Net income	$ 11,002	5.5%	$ 6,950	6.6%
CALA:				
Revenue	$ 30,114	100.0%	$ 34,998	100.0%
Costs of Revenue	25,093	83.3%	29,733	85.0%
Depreciation and amortization	1,791	5.9%	-	0.0%
General and administrative expenses	2,908	9.7%	125	0.4%
Operating income	322	1.1%	5,140	14.7%
Interest expense	750	2.5%	-	0.0%
Interest and dividend income and other income, net, equity in unconsolidated companies and minority interest	1,515	5.0%	(1,695)	-4.8%
Income from operations before provision for income taxes	1,087	3.6%	3,445	9.8%
Provision for income taxes	759	2.5%	1,723	4.9%
Net income	$ 328	1.1%	$ 1,722	4.9%
Spain:				
Revenue	$ 59,589	100.0%	$ 44,140	100.0%
Costs of Revenue	46,375	77.8%	35,045	79.4%
Depreciation and amortization	592	1.0%	600	1.4%
General and administrative expenses	9,513	16.0%	9,642	21.8%
Operating income	3,109	5.2%	(1,147)	-2.6%
Interest expense	1,216	2.0%	765	1.7%
Interest and dividend income and other income, net, equity in unconsolidated companies and minority interest	1,437	2.4%	1,212	2.7%
Income (loss) from operations before provision for income taxes	3,330	5.6%	(700)	-1.6%
Provision for income taxes	1,247	2.1%	(526)	-1.2%
Net income (loss)	$ 2,083	3.5%	$ (174)	-0.4%

Revenue increased $104 million or 56% to $288.6 million in 1998 as compared to $184.6 million in 1997. Revenue from North American operations increased $93.5 million, or 89%, to $198.9 million in 1998 as compared to $105.4 million in 1997. North American revenue growth was primarily generated by acquisitions completed in the latter part of 1997 and during 1998. Revenue generated by the combined Spanish and CALA regions (collectively referred to as "international" operations) increased $10.6 million, or 13.4%, to $89.7 million in 1998 as compared to $79.1 million in 1997 due primarily to acquisitions of entities in Colombia and Puerto Rico. Revenues in the Company's CALA region were negatively impacted by delays in the privatization of the Brazilian telecommunications industry.

Gross profit (revenue less cost of revenue), excluding depreciation and amortization, increased $28.4 million, or 68%, to $70.1 million, or 24.3% of revenue in 1998 as compared to $41.7 million, or 22.6% of revenue in 1997. North American gross margins (gross profit as a percentage of revenue) increased to 26.1% in 1998 from 25.9% in 1997. The increase in gross margins was due primarily to acquisitions made in the third quarter of 1997 of work generating higher margins. International gross margins increased to 20.3% in 1998 as compared to 18.2% in 1997 primarily due to the completion of certain higher margin contracts in 1998. Additionally, the Company's newly formed CALA region reflected improved margins of 16.7% as compared to 15% in 1997. In the CALA region, the Company typically operates in a project manager capacity, which results in lower margins than the Company's North American operations because of greater use of subcontractors.

Depreciation and amortization increased $6.1 million, or 107%, to $11.8 million in 1998 from $5.7 million in 1997. The increase in depreciation and amortization was a result of increased amortization of intangibles associated with acquisitions, as well as increased capital expenditures during 1998 to support revenue growth. As a percentage of revenue, depreciation and amortization was 4.1% and 3.1% of revenue for 1998 and 1997, respectively.

General and administrative expenses increased $12.8 million, or 67%, to $32 million, or 11.1% of revenue for 1998 from $19.2 million, or 10.4% of revenue for 1997. The increase in dollar amount is primarily due to North American general and administrative expenses which were $19.6 million, or 9.8% of North American revenue in 1998, compared to $9.4 million, or 8.9% of domestic revenue for 1997. The increase in dollar amount of domestic general and administrative expenses stems primarily from acquired companies and an increase in the allowance for doubtful accounts of $1 million in connection with management's ongoing evaluation of the collectability of its receivables. International general and administrative expenses increased $2.6 million, or 26.5%, to $12.4 million, or 13.8% of international revenue in 1998 from $9.8 million, or 12.4% of international revenue for 1997. The increase in general and administrative expenses resulted from the Company's expansion into the CALA region in August 1997. General and administrative expenses for the CALA region were approximately $2.9 million.

The Company generated operating income of $26.3 million for 1998 compared to $16.8 million for 1997 or 9.1% of revenue for both periods. Domestic operating income declined to 11.5% of revenue in 1998 as compared to 12.1% in 1997 as a result of a $1 million increase in the allowance for doubtful accounts. Favorably impacting 1998 operating income were acquisitions and short-term projects with attractive pricing. International operating income decreased to $3.4 million in 1998 from $4.0 million in 1997 due primarily to increases in general and administrative expenses associated with the Company's newly established Brazilian operation.

Interest expense increased $5.2 million or 200%, to $7.8 million for 1998 from $2.6 million in 1997 primarily due to the Company's $200.0 million bond offering completed in February 1998. Offsetting the increase was lower interest rates on Spanish borrowings. See "Financial Condition, Liquidity and Capital Resources."

Interest and dividend income, other income, net, equity in earnings of unconsolidated companies and minority interest increased to $3.9 million compared to $402,000 during the 1997 period due to a significant increase in interest income related to temporary short-term investments by the Company's Brazilian operations.

Nine Months Ended September 30, 1998 compared to
Nine Months Ended September 30, 1997

The following table sets forth certain historical consolidated financial data and supplemental information as a percentage of revenue for the nine months ended September 30, 1998 and 1997 (in thousands unless otherwise indicated).

North America:	1998		1997	
Revenue	$ 474,379	100.0%	$ 265,858	100.0%
Costs of Revenue	359,885	75.9%	193,581	72.8%
Depreciation and amortization	26,494	5.6%	12,043	4.5%
General and administrative expenses	54,676	11.5%	25,434	9.6%
Operating income	33,324	7.0%	34,800	13.1%
Interest expense	15,005	3.2%	4,506	1.7%
Interest and dividend income and other income, net, equity in unconsolidated companies and minority interest	2,794	0.6%	1,533	0.6%
Income from operations before provision for income taxes	21,113	4.5%	31,827	12.0%
Provision for income taxes	8,348	1.8%	12,583	4.7%
Net income	$ 12,765	2.7%	$ 19,244	7.2%

CALA:	1998		1997	
Revenue	$ 95,019	100.0%	$ 34,998	100.0%
Costs of Revenue	79,610	83.8%	29,733	85.0%
Depreciation and amortization	2,730	2.9%	-	0.0%
General and administrative expenses	7,145	7.5%	125	0.4%
Operating income	5,534	5.8%	5,140	14.7%
Interest expense	1,516	1.6%	-	0.0%
Interest and dividend income and other income, net, equity in unconsolidated companies and minority interest	1,754	1.8%	(1,695)	-4.8%
Income from operations before provision for income taxes	5,772	6.1%	3,445	9.8%
Provision for income taxes	3,007	3.2%	1,723	4.9%
Net income	$ 2,765	2.9%	$ 1,722	4.9%

Spain:	1998		1997	
Revenue	$ 151,409	100.0%	$ 155,348	100.0%
Costs of Revenue	118,212	78.1%	114,599	73.8%
Depreciation and amortization	1,770	1.2%	2,001	1.3%
General and administrative expenses	37,585	24.8%	28,807	18.5%
Operating income	(6,158)	-4.1%	9,941	6.4%
Interest expense	3,395	2.2%	3,528	2.3%
Interest and dividend income and other income, net, equity in unconsolidated companies and minority interest	3,143	2.1%	3,550	2.3%
(Loss) income from operations before provision for income taxes	(6,410)	-4.2%	9,963	6.4%
Provision for income taxes	(1,586)	-1.0%	2,318	1.5%
Net (loss) income	$ (4,824)	-3.2%	$ 7,645	4.9%

Revenue increased $264.6 million, or 58%, to $720.8 million in 1998 as compared to $456.2 million in 1997. North American revenue increased $208.5 million, or 78% from $265.9 million to $474.4 million. The increase in North American revenue was primarily generated by acquisitions completed in the latter part of 1997 and 1998. Revenue generated by international operations increased $56.1 million, or 29.5%, to $246.4 million in 1998 as compared to $190.3 million in 1997 due primarily to the inclusion of the Company's Brazilian operations which contributed $95 million to 1998 results. The Company's Spanish revenue was negatively impacted in 1998 by a reduction in the volume of work by its major customer, Telefonica, whose investment focus has shifted to Latin America, specifically Brazil. Revenues in the Company's CALA region were negatively impacted by delays in the privatization of the Brazilian telecommunications industry.

Gross profit (revenue less cost of revenue), excluding depreciation and amortization, increased $44.8 million, or 38%, to $163.1 million, or 22.6% of revenue in 1998 as compared to $118.3 million, or 25.9% of revenue in 1997. North American gross margins (gross profit as a percentage of revenue) decreased to 24.1% in 1998 from 27.2% in 1997. The decline in gross margins was related to, among other things, pricing on certain contracts, some of which have recently been re-negotiated. In addition, 1997 results were favorably impacted by certain short-term projects with attractive pricing. Spanish gross margins decreased to 21.9% in 1998 as compared to 26.2% in 1997 primarily due to the increase in labor costs associated with its new labor agreement in Spain and a $1.9 million charge for severance for direct labor personnel. The Company's newly formed CALA operations reported an improved margin of 16.2% in 1998 as compared to 15% in 1997. In the CALA region, the Company typically operates in a project manager capacity, which results in lower margins than the Company's North American operations since it subcontracts a larger proportion of its work.

Depreciation and amortization increased $17 million, or 121%, to $31 million in 1998 from $14 million in 1997. The increase in depreciation and amortization was a result of increased capital expenditures in 1998, as well as depreciation and amortization associated with acquisitions. As a percentage of revenue, depreciation and amortization was 4.3% and 3.1% of revenue for 1998 and 1997, respectively.

General and administrative expenses increased $45 million, or 83%, to $99.4 million, or 13.8% of revenue for 1998 from $54.4 million, or 11.9% of revenue for 1997. The increase is primarily due to North American general and administrative expenses which were $54.7 million, or 11.5% of North American revenue in 1998, compared to $25.4 million, or 9.6% of North American revenue for 1997. The increase in dollar amount of North American general and administrative expenses is due primarily to acquisitions. North American general and administrative expenses increased as a percentage of revenues due to increases in the allowance for doubtful accounts as well as $4 million in special charges recorded in the first quarter of 1998. General and administrative expenses for international operations increased $15.8 million, or 55%, to $44.7 million, or 18.2% of international revenue in 1998 from $28.9 million, or 15.2% of international revenue for 1997. The increase in Spain's general and administrative expenses was primarily due to severance charges of $12.9 million associated with the agreement reached with the union to reduce administrative personnel in excess of 200 people. General and administrative expenses for the Company's CALA region were approximately $7.1 million. The Company did not operate in this region until August 1997.

The Company generated operating income of $32.7 million or 4.5% of revenue for 1998 compared to $49.9 million or 10.9% of revenue for 1997. Favorably impacting 1997 operating income were short-term projects with attractive pricing and terms. International operating income decreased to (624,000) from $15.1 million due primarily to the aforementioned severance charges recorded by the Company's Spanish operations in 1998.

Interest expense increased $11.9 million or 149%, to $19.9 million for 1998 from $8.0 million in 1997, primarily due to the Company's $200.0 million bond offering completed in February 1998. See - "Financial Condition, Liquidity and Capital Resources."

Interest and dividend income, other income, net, equity in earnings of unconsolidated companies and minority interest increased to $7.7 million compared to $3.4 million in 1997 due to temporary short-term investments offset by an increase in minority interest attributable to the Company's Brazilian operations.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Financial Condition, Liquidity and Capital Resources

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

Net cash provided by operating activities for the 1998 period was $14.9 million, compared to $27.8 million in the 1997 period. This decrease was due to a breakeven result in the first quarter of 1998 absent non-recurring charges and fluctuations in working capital, particularly increases in accounts receivable and unbilled revenue from Brazilian and North American operations.

As of September 30, 1998, working capital totaled $148.7 million, compared to working capital of $124.1 million at December 31, 1997.

The Company invested cash, net of cash acquired, in acquisitions and investments in unconsolidated companies totaling $95.8 million during 1998 compared to $25.7 million in 1997. During 1998, the Company made capital expenditures of $57.5 million, primarily for machinery and equipment used in the production of revenue, compared to $15.8 million in 1997. The increase in capital expenditures was related to acquisitions, internal growth and expansion into new contract areas.

The Company is negotiating with management personnel at certain of the Company's subsidiaries acquired in 1997 for the continuation of their employment and/or consulting services for five years from the date of definitive agreements. In addition, pre-existing non-competition and non-solicitation agreements are proposed to be modified and to be extended to a term of ten years from the date of the definitive agreements. As consideration for these agreements, the Company proposes to pay certain compensation for the employees' employment and non-competition agreements, including cash compensation, stock and option awards and certain other compensation. The Company also proposes to repurchase shares of the Company's common stock issued in connection with the 1997 acquisitions and owned by certain of these employees in three transactions over the next thirteen months. In total these agreements, if concluded, will require cash payments (including for the repurchase of the common stock) of $35 million in 1998, $32 million in two installments in 1999 and $3.2 million in 2000, 2001 and 2002. The definitive agreements are still subject to further negotiation and to final Board approval. There can be no assurance that definitive agreements will be executed, or if executed, that they will be at the terms described above.

The Company continues to pursue a strategy of growth through acquisitions and internal expansion. During 1998, the Company completed 14 acquisitions for $88.2 million in cash and seller financing. Additionally, the Company believes that there are significant business opportunities available to it that may require the Company to provide customer financing in connection with the sale of its services. As of September 30, 1998, the Company had entered into financing agreements to provide financing to two customers. As of September 30, 1998, the Company had $19.8 million outstanding under these agreements. The Company anticipates that it will provide an additional $20.0 million of financing under these agreements over the next 12 months.

The Company has committed to continue developing a PCS cellular phone system in Paraguay of which the Company owns 90%. The Company anticipates investing approximately $20.0 million for the development of this system over the next 12 months.

The Company expects to finance its working capital needs, capital expenditures, debt service obligations and other commitments and contingencies from cash generated from operations, the sale of investments and non-core assets, borrowings under the existing Credit Facility, and funds from additional borrowings or the issuance of additional debt or equity securities. There can be no assurance that the Company will be able to obtain additional capital, borrow additional funds in a timely manner or on favorable terms. Nor can there be any assurances that the Company will be able to obtain additional financing. If the Company is unable to do so, the Company may be required to delay or reduce its proposed expenditures or sell additional assets in order to meet its future obligations.

On October 16, 1998, the Company announced its intention to sell its Spanish subsidiary and its affiliates in Argentina, Chile, Colombia, Peru, Puerto Rico and Venezuela to focus on operations in North America. The proceeds from the sale will be used for domestic acquisitions and internal expansion.

The Company announced a stock repurchase program in April 1998. Through November 12, 1998, the Company had purchased a total of 657,000 shares with an average price of $20.06. The Company may continue to purchase shares from time to time. The Credit Facility restricts the amount of shares that the Company may repurchase up to an additional $10.3 million.

In February 1998, the Company issued $200.0 million principal amount of 7.75% Senior Subordinated Notes (the "Notes") due 2008 with interest due semi-annually. The Credit Facility and the Notes contain certain covenants which, among other things, restrict the payment of dividends and limit the Company's ability to incur additional debt, create liens, dispose of assets, merge or consolidate with another entity or make other investments or acquisitions. These covenants also require the Company to maintain minimum amounts of shareholders' equity and to meet certain financial ratio coverages, among others, minimum ratios at the end of each fiscal quarter of debt to earnings before interest, taxes, depreciation and amortization and of earnings to interest expense. See Note 4 of Notes to Condensed Consolidated Financial Statements.

The Company conducts business in several foreign currencies that are subject to fluctuations in the exchange rate relative to the U.S. dollar. The Company does not enter into foreign exchange contracts. It is the Company's intent to utilize foreign earnings in the foreign operations for an indefinite period of time or until a decision to divest is made. See Note 8 to Condensed Consolidated Financial Statements. In addition, the Company's results of operations from foreign activities are translated into U.S. dollars at the average prevailing rates of exchange during the period reported, which average rates may differ from the actual rates of exchange in effect at the time of the actual conversion into U.S. dollars.

The Company's current and future operations and investments in certain foreign countries are generally subject to the risks of political, economic or social instability, including the possibility of expropriation, confiscatory taxation, hyper-inflation or other adverse regulatory or legislative developments, or limitations on the repatriation of investment income, capital and other assets. The Company cannot predict whether any of such factors will occur in the future or the extent to which such factors would have a material adverse effect on the Company's international operations.

Year 2000

The Company has been assessing the impact of the Year 2000 issue as it relates to its information systems and vendor supplied application software, hardware and non-information systems such as fax machines, alarm systems and other miscellaneous systems. The Company and each of its operating subsidiaries are in the process of implementing a readiness program with the objective of having all of their significant business systems functioning properly before January 1, 2000. Each operating system is in a different stage of its year 2000 readiness.

The first step of the Company's readiness program is to identify the internal business systems of the Company and its operating subsidiaries that are susceptible to system failures or processing errors. This effort is in process and those business systems considered most critical to continuing operations are being given the highest priority.

The Company expects to incur internal staff costs as well as consulting and other expenses related to infrastructure to prepare the systems for the year 2000 testing and conversion of system applications which is expected to take place over the remaining year and into 1999. Through normal, planned enhancements of existing systems, development of new systems and upgrades to operating systems and databases already covered by maintenance agreements, the Company believes that the year 2000 compliance will be achieved over the next year. The Company's vendor supplied application software is provided from reputable companies that have year 2000 compliant software readily available. Assuming that remediation projects can be implemented as planned, the Company believes future costs relating to the Year 2000 issue, which will be expensed as incurred, will not have a material adverse impact on the Company's business, operations or financial condition.

The Company has also initiated formal communications with all of its significant customers to determine the extent to which the Company's customer interface systems are vulnerable to those third parties' failures to remediate their own year 2000 issues. The Company believes that issues related to the year 2000 with respect to its customers will not have a material adverse impact since most of the Company's customers are large commercial entities which are addressing their own year 2000 issues.

Although the Company expects its critical systems to be compliant during mid 1999, there are no assurances that these results will be achieved. Specific factors that give rise to this uncertainty include a possible loss of technical resources to perform the work, failure to identify all susceptible systems, non-compliance by third parties whose systems and operations impact the Company, and other similar uncertainties.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

See Note 7 to the Condensed Consolidated Financial Statements.

Item 2. Changes in Securities.

None.

Item 3. Defaults upon Senior Securities.

None.

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

None.

Item 5. Other Information.

None.

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

(a) Exhibits.

27.1 Article 5 - Financial Data Schedules.

(b) Report on Form 8-K.

On September 8, 1998, the company filed a Form 8-K Current Report dated May 28, 1998 reporting information under item 5 thereof regarding the amendment of its Revolving Credit Agreement, the application of purchase accounting to two 1997 acquisitions previously accounted for using pooling-of-interests and the acquisition of seven domestic and two international companies. In addition, the Company announced certain strategic alliances and the purchase of a partnership holding 7.9 million shares of the Company's stock by the Company's Chairman of the Board and his brothers.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MasTec, Inc.
Registrant

Date: November 13, 1998

/s/ Stephen D. Daniels

Stephen D. Daniels
Senior Vice President-
Chief Financial Officer
(Principal Financial and
Accounting Officer)

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