

UNITED STATES 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, 1994 OR

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

For the transition period from ----- to -----
Commission file number 0-3797

MasTec, Inc.

(Exact name of registrant as specified in its charter)

Delaware

59-1259279

(State or other jurisdiction of incorporation
or organization)

(I.R.S. Employer
Identification No.)

8600 N.W. 36th Street, Miami, FL

33166

(Address of principal executive offices)

(Zip Code)

(305) 599-1800

(Registrant's telephone number, including area code)

Not Applicable

(Former name, former address and former fiscal year,
if changed since last report)

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 report), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

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 September 30, 1994
----- \$.10 par value	----- 16,037,337

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Form 10-Q
September 30, 1994
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Part I - Financial Information
Item 1. Financial Statements

MasTec, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(In Thousands Except Per Share Amounts)
(Unaudited)

	THREE MONTHS ENDED SEPTEMBER 30, 1994 1993		NINE MONTHS ENDED SEPTEMBER 30, 1994 1993	
Revenues	\$ 45,780	\$ 8,878	\$ 99,553	\$ 37,034
Costs and Expenses				
Costs of Revenues (exclusive of depreciation and amortization shown separately below)	34,427	6,029	75,602	23,660
General and Administrative	5,021	1,042	11,373	4,145
Depreciation and Amortization	1,881	184	4,143	553
Interest Expense -				
Borrowings	1,140	34	2,362	115
Notes to Shareholders	60	0	180	0
Interest and Dividend Income	(411)	(90)	(1,020)	(193)
Other	(401)	(21)	(593)	(75)
Total Costs and Expenses	41,717	7,178	92,047	28,205
Income Before Income Taxes, Equity in Earnings (Losses) of Unconsolidated Joint Ventures and Minority Interest	4,063	1,700	7,506	8,829
Provision for Income Taxes	1,510	0	1,905	0
Income Before Equity in Earnings (Losses) of Unconsolidated Joint Ventures and Minority Interest	2,553	1,700	5,601	8,829
Equity in Earnings (Losses) of Unconsolidated Joint Ventures	53	(393)	190	(1,393)
Minority Interest	0	(2)	0	(8)
NET INCOME	\$ 2,606	\$ 1,305	\$ 5,791	\$ 7,428
Unaudited Pro Forma Data:				
Income Before Income Taxes		1,305		7,428
Provision for Income Taxes		503		2,860
Net Income	\$ 2,606	\$ 802	\$ 5,791	\$ 4,568
Average Shares Outstanding	16,054	10,250	16,052	10,250
Earnings Per Share	\$ 0.16	\$ 0.08	\$ 0.36	\$ 0.45

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

MasTec, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands)

	SEPTEMBER 30, 1994 ----- (Unaudited)	DECEMBER 31, 1993 ----- (Audited)
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 9,353	\$ 8,930
Accounts Receivable-Net and Unbilled Revenues	33,033	6,751
Inventories	4,480	0
Deferred and Refundable Income Taxes	4,506	0
Other	930	186
	-----	-----
Total Current Assets	52,302	15,867
	-----	-----
Investments in Preferred Stock and Long-Term Notes Receivable		
	11,403	0
Notes Receivable from Shareholders	3,570	0
	-----	-----
Total Investments	14,973	0
	-----	-----
Property-At Cost		
	63,840	6,066
Accumulated Depreciation	(5,269)	(1,434)
	-----	-----
Property-Net	58,571	4,632
	-----	-----
Real Estate Investments and Other Assets		
	25,866	826
	-----	-----
TOTAL ASSETS	\$ 151,712 =====	\$ 21,325 =====

The accompanying notes are an integral part of these financial statements.
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MasTec, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands)

	SEPTEMBER 30, 1994 ----- (Unaudited)	DECEMBER 31, 1993 ----- (Audited)
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Current Maturities of Debt	\$ 7,285	\$ 508
Current Portion of Notes Payable to Shareholders	1,000	500
Accounts Payable	6,201	2,265
Accrued Insurance	4,468	818
Accrued Compensation	2,270	241
Accrued Interest	1,298	0
Accrued Income Taxes	2,585	0
Other	7,312	2,443
	-----	-----
Total Current Liabilities	32,419	6,775
	-----	-----
Other Liabilities	31,223	28
	-----	-----
Long-Term Debt	15,549	1,079
Notes Payable to Shareholders	1,500	2,500
Convertible Subordinated Debentures	21,875	0
	-----	-----
Total Long-Term Debt	36,808	3,579
	-----	-----
Shareholders' Equity		
Common Stock	2,643	1,025
Capital Surplus	134,053	0
Retained Earnings	4,596	9,918
Treasury Stock	(92,146)	0
	-----	-----
Total Shareholders' Equity	49,146	10,943
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 151,712	\$ 21,325
	=====	=====

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,	
	1994	1993
Cash Flows from Operating Activities:		
Net Income	\$ 5,791	\$ 7,428
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	4,143	553
Minority Interest in Earnings of Consolidated Joint Equity in (Earnings) Losses of Unconsolidated Joint Gain on Sale of Assets	0	8
Changes in Assets and Liabilities Net of Effects of Acquisitions:	(190)	1,393
Accounts Receivable-Net and Unbilled Revenues	(365)	0
Inventories and Other Current Assets	(8,946)	1,204
Accounts Payable and Accrued Expenses	910	(136)
Interest and Income Taxes	478	945
Other Current Liabilities	374	0
Other Assets	(621)	(1,331)
Other Liabilities	(237)	63
	561	0
	1,898	10,127
Cash Flows from Investing Activities:		
Capital Expenditures	(2,318)	(1,764)
Investments in Unconsolidated Joint Ventures	(140)	(660)
Loans to Shareholders	(3,570)	0
Cash Acquired in Reverse Acquisition of Burnup & Sims	6,291	0
Cash Acquired in Acquisition of DTI	223	0
Cash Paid in Acquisition of DTI	(1,000)	0
Cash Paid in Acquisition of Assets of Buchanan Contontracting	(850)	0
Proceeds from Sale of Assets	670	0
Distributions from Unconsolidated Joint Ventures	75	65
	(619)	(2,359)

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

MasTec, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONTINUED)
(In Thousands)
(Unaudited)

	NINE MONTHS ENDED SEPTEMBER 30,	
	1994	1993
Cash Flows from Financing Activities:		
Debt Borrowings	1,000	0
Proceeds from Note Payable	0	989
Debt Repayments	(1,356)	(863)
Repayments of Notes Payable to Shareholders	(500)	0
Distributions to Shareholders	0	(3,920)
	(856)	(3,794)
Net Cash (Used) by Financing Activities		
	423	3,974
Net Increase in Cash and Cash Equivalents		
Cash and Cash Equivalents - Beginning of Period	8,930	10,190
	\$ 9,353	\$ 14,164
Cash and Cash Equivalents - End of Period	\$ 9,353	\$ 14,164
Cash Paid (Refunded) During the Period:		
Interest	\$ 2,167	\$ 115
Income Taxes	(23)	0

Supplemental Disclosure of Non-Cash Investing and Financing Activities

Reverse Acquisition of Burnup & Sims	
Fair Value Of Assets Net Acquired:	
Accounts Receivables	\$17,941
Inventories And Other Current Assets	7,066
Investments	11,403
Property	48,029
Real Estate Investments And Other Assets	23,754
	108,193
Total Non-Cash Assets	
Liabilities	46,341
Long-Term Debt	35,098
	81,439
Total Liabilities Assumed	
Net Non-Cash Assets Acquired	26,754
Cash Acquired	6,291
	\$33,045
Purchase Price	\$33,045

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

MasTec, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (CONCLUDED)
(In Thousands)
(Unaudited)

Supplemental Disclosure of Non-Cash Investing and
Financing Activities (continued)

Acquisition of DTI	
Fair Value Of Assets Net Acquired:	
Accounts Receivables	\$2,878
Inventories And Other Current Assets	389
Property	1,347
Real Estate Investments And Other Assets	491

Total Non-Cash Assets	5,105

Liabilities	1,764
Long-Term Debt	674

Total Liabilities Assumed	2,438

Net Non-Cash Assets Acquired	2,667
Cash Acquired	223

Purchase Price	\$2,890
	=====
Note Payable issued to DTI's Shareholders	\$1,890
Cash Paid for Acquisition	1,000

Purchase Price	\$2,890
	=====
Acquisition of Assets of Buchanan:	
Fair Value Of Assets Acquired	\$3,828
Liabilities Assumed	2,978

Cash Paid for Acquisition	\$850
	=====
Property Acquired Through Financing Arrangements	\$651
	=====
Property Acquired Through Capital Leases	\$2,186
	=====

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

MasTec, Inc.					
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY					
(In Thousands)					
	Common Stock	Capital Surplus	Retained Earnings	Treasury Stock	Total
Balance December 31, 1993	\$1,025	\$0	\$9,918	\$0	\$10,943
Net Income			5,791		5,791
Equity Acquired in Reverse Acquisition	1,618	122,951		(92,232)	32,337
Stock issued to Employees from Treasury Shares		(11)		86	75
Retained Earnings transferred to Capital Surplus		11,113	(11,113)		0
Balance September 30, 1994	\$2,643	\$134,053	\$4,596	(\$92,146)	\$49,146

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

1. CONSOLIDATION AND PRESENTATION

On March 11, 1994, Church & Tower, Inc. ("CT") and Church & Tower of Florida, Inc. ("CTF" and, together with CT, "CT Group"), privately held corporations under common control, were acquired (the "Burnup Acquisition") through an exchange of stock, by Burnup & Sims Inc. ("Burnup"), a Delaware public company. Immediately following the Burnup Acquisition, the name of Burnup was changed to MasTec, Inc. ("MasTec" or the "Company") and its fiscal year end was changed to December 31.

The accompanying unaudited condensed consolidated financial statements of MasTec 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 audited combined financial statements and notes thereto included in the Company's annual report on Form 10-K for the year ended December 31, 1993. 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 operation or financial position of MasTec.

Under generally accepted accounting principles, the Burnup Acquisition was accounted for as a purchase by the CT Group and, therefore, the 1993 financial statements presented are those of the CT Group only. In addition, the results for the nine months ended September 30, 1994, include the operations of the CT Group during such period and the operations of Burnup during the period March 11, 1994, through September 30, 1994, as well as those of Designed Traffic Installation Company ("DTI") and Buchanan Contracting Company ("Buchanan") as described below (collectively referred to as Acquisitions).

On June 22, 1994, the Company acquired all of the outstanding shares of DTI, a Florida corporation, for \$1,000,000 in cash and a promissory note in the amount of \$1,890,000 ("the DTI Acquisition") in a transaction accounted for as a purchase. The Company may also pay an additional amount contingent upon certain specific percentages of net pretax earnings earned by DTI over the next four years. The cost of the DTI Acquisition has been allocated to the fair value of the assets acquired and liabilities assumed (See Consolidated Statement of Cash Flows). The Company has not finalized the allocation of the purchase price but believes that a substantial portion ultimately will be allocated to machinery, equipment and receivables. The additional contingent consideration based on earnings is not currently determinable and, has therefore, not been recorded in the accompanying financial statements.

On July 26, 1994, the Company purchased from Buchanan machinery and equipment, the rights to two master contracts covering the Montgomery, Alabama and Memphis, Tennessee areas, with Bell South Telecommunications, the name "Buchanan Contracting Company Incorporated" and certain leases for

MasTec
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
September 30, 1994 (Unaudited)

\$850,000 in cash, a promissory note of \$1,061,000 and an assumption of debt related to the equipment purchased of \$1,917,000. The acquisition was accounted for as a purchase.

The following information presents the unaudited pro forma condensed results of operations for the nine months ended September 30, 1994 and 1993 of MasTec as if the Acquisitions had occurred on January 1, 1993. Adjustments have been made related to purchase accounting and other matters related to the Acquisitions. These results are presented for informational purposes only and are not necessarily indicative of the future results of operations or financial position of MasTec or the results of operations or financial position of MasTec had the Acquisitions occurred on January 1, 1993.

PRO FORMA RESULTS OF OPERATIONS
FOR THE NINE MONTHS ENDED SEPTEMBER 30
(In Thousands Except Per Share Amounts)

	1994 ----- (Unaudited)	1993 ----- (Unaudited)
Revenues	\$ 124,593	\$ 148,675
Net Income (Loss)	2,904	(573)
Income (Loss) Per Share	\$ 0.18	\$ (0.04)

Pro forma revenues in 1994 decreased by \$24.1 million mainly as a result of the completion in the latter part of 1993 of a construction project, an offshore utilities services contract, which was substantially completed in 1993 and the divestiture of a subsidiary in 1994 (See Note 8).

The net pro forma result for the comparable period improved by approximately \$3.5 million from a net loss of \$573,000 to a net income of \$2.9 million mainly due to the restructuring and closing during early 1994 of certain unprofitable Burnup areas of operation and the write-off of tangible assets related to such.

The most significant adjustments to the balance sheet resulting from the Acquisitions are disclosed in the supplemental schedule of non-cash investing activities in the statement of cash flows. The purchase price "paid" by the CT Group for Burnup consisted of the market value of Burnup stock not acquired by CT Group shareholders in the merger of \$32,355,000 (5,777,592 shares outstanding at an average market value of \$5.60 per share) and \$690,000 in acquisition costs incurred by the CT Group, resulting in a total purchase price of \$33,045,000.

2. Related Party Transactions

Notes Receivable from shareholders bear interest at the prime rate plus 2% (9.25% at September 30, 1994). See Note 4 regarding amounts payable to shareholders.

3. Other Liabilities

Other Liabilities are summarized as follows (Dollars in Thousands):

	September 30, 1994	December 31, 1993
Deferred Income Taxes	\$ 21,495	\$ 0
Accrued Insurance	7,624	0
Other	2,104	28
	-----	-----
	\$ 31,223	\$ 28
	=====	=====

4. Debt

Debt is summarized as follows (Dollars in Thousands):

	September 30, 1994	December 31, 1993
Term Loan payable to Bank, at prime plus 1/2% (7.75% at September 30, 1994, due June 1995)	\$ 8,536	\$ 0
Term Loan payable to Bank at prime rate plus 1/2%, due December 30, 1994	1,000	0
Term Loan payable to Bank, at 7.7%	1,228	1,587
Notes Payable to Shareholders, at prime plus 2% (9.25% at September 30, 1994)	2,500	3,000
Capital Leases and Other, at Interest Rates from 6% to 12% due in installments through the year 2000	6,494	0
Other, 7% due in four semi-annual installments through July 10, 1996	1,890	0
Other, 7% due in eight quarterly installments through July 1, 1996	1,061	0
12% Convertible Subordinated Debentures due 2000	24,500	0
	-----	-----
Total Debt	47,209	4,587
Less Current Maturities	(8,285)	(1,008)
	-----	-----
Non-Current Debt	\$ 38,924	\$ 3,579
	=====	=====

The 12% convertible subordinated debentures (the "Debentures") require an annual payment to a sinking fund, which commenced November 15, 1990, calculated to retire 75% of the issue prior to maturity. The Company has the option to redeem all or part of the Debentures prior to the due date by paying the principal amount at face value. The Debentures are convertible into Common Stock at a conversion price of \$16.79 per share. At September 30, 1994, approximately 1,459,000 shares were reserved for conversion.

The Company is negotiating with a lender the refinancing of its Term Loan. Accordingly, although the Term Loan is scheduled to mature during the next twelve months, it is expected that the Company will not be required to use working capital during the ensuing year for the repayment of the Term Loan.

Debt agreements contain, among other things, restrictions on the payment of dividends and require the maintenance of certain financial covenants.

5. Earnings Per Share and Capital Stock

Earnings per share is based on the weighted average number of common shares outstanding. Fully diluted earnings per share is not presented as the effect of common stock equivalents is anti-dilutive or not material. Earnings per share for the nine months ended September 30, 1993, gives retroactive effect to the 10,250,000 shares received by the former stockholders of the CT Group.

At September 30, 1994, the Company had 50,000,000 shares of \$.10 par value common stock (the "Common Stock") authorized and 16,037,337 shares outstanding, and 5,000,000 shares of authorized but unissued preferred stock.

6. Stock Option Plans

Options to purchase 163,100 shares of Common Stock under the Company's 1976 and 1978 Stock Option Plans (the "1976 and 1978 Plans") were exercised on March 11, 1994, as well as stock appreciation rights with respect to 55,965 shares. These plans were replaced by the 1994 Stock Incentive Plan (the "1994 Plan"). Approximately 31,300 options remain outstanding under the 1976 and 1978 Plans and may be still exercised in accordance with the terms of plans.

In connection with the Burnup Acquisition, the Company's stockholders approved the 1994 Stock Option Plan for Non-Employee Directors (the "Directors' Plan") and the 1994 Plan. The Directors' Plan authorized options to purchase up to 400,000 shares of the Company's common stock issuable to the non-employee members of the Company's Board of Directors. Options to purchase 30,000 shares have been granted to Board members, none of which are exercisable at September 30, 1994. The options permit the on-employee director to exercise for a period of up to ten years from the date of grant at an exercise price equal to the fair market value of such shares on the date the option is granted.

The 1994 Plan authorized options to purchase up to 800,000 shares of the Company's Common Stock of which 200,000 shares may be awarded as restricted stock. At March 11, 1994, options to purchase 125,500 had been granted. Options become exercisable over a five year period in equal increments of 20% per year beginning the year after the date of grant and must be exercised at an exercise price no less than the fair market value of the shares at the grant date. At September 30, 1994 none of these shares are exercisable.

7. Income Taxes

The CT Group had elected to be treated as an S Corporation under the Internal Revenue Code ("IRC") and, therefore the results of operations for the nine months ended September 30, 1993, do not include a provision for income taxes, as the income of the CT Group passed directly to the stockholders.

On March 11, 1994, the CT Group's election to be treated as an S Corporation was terminated. The income tax provision for the nine months ended September 30, 1994, includes the operations of the CT Group and Burnup for the period from March 11, 1994, (date of Burnup Acquisition) through September 30, 1994. The effect of recognizing a net deferred tax asset of approximately \$435,000 at March 11, 1994, in connection with the change in tax status, is included in the provision for income taxes for the nine months ended September 30, 1994.

The Company accounts for income taxes under the provisions of Statement of Financial Accounting Standards (SFAS) No. 109, "Accounting for Income Taxes". Deferred income taxes reflect the net effects of (a) temporary differences between carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes, and (b) operating loss and tax credit carryforwards. The tax effects of significant items comprising the Company's net deferred tax liability as of September 30, 1994 are as follows (in thousands of dollars):

Tax Effect of Taxable Temporary Differences:

Differences between book and tax basis of property	\$ 21,464
Other	3,206

	24,670

Tax Effect of Deductible Temporary Differences:

Reserves not currently deductible	(5,167)
Operating loss carryforwards	(624)
Tax credit carryforwards	(112)

	(5,903)

Valuation allowance	615

Net deferred tax liability	\$ 19,382
	=====

There was no change in the valuation allowance for the period ended September 30, 1994.

8. Contingencies

Albert H. Kahn v. Nick A. Caporella, et al., Civil Action No. 11890 was filed on December 1990 by a stockholder of the Company in the Court of Chancery of the State of Delaware in and for New Castle County against the Company, the members of the Board of Directors, and against National Beverage Corporation ("NBC"), as a purported class action and derivative lawsuit. In May 1993, plaintiff amended its class action and shareholder derivative complaint (the "Amended Complaint"). The class action claims allege, among other things, that the Board of Directors, and NBC as its then largest stockholder, breached their respective fiduciary duties in approving (i) the distribution to the Company's stockholders of all of the common stock of NBC owned by it (the "Distribution") and (ii) the exchange by NBC of 3,846,153 shares of Common Stock for certain indebtedness of NBC held by the Company (the "Exchange") (the Distribution and the Exchange are hereinafter referred to as the "1991 Transaction"), and allegedly placing the interests of NBC ahead of the interests of the other stockholders of the Company. The derivative action claims allege, among other things, that the Board of Directors had breached its fiduciary duties by approving executive officer compensation arrangements, by financing NBC's operations on a current basis, and by permitting the interests of the Company to be subordinated to those of NBC. In the lawsuit, plaintiff seeks to rescind the 1991 Transaction and to recover damages in an unspecified amount.

The Amended Complaint alleges that the Special Transaction Committee that approved the 1991 Transaction was not independent and that, therefore, the 1991 Transaction was not protected by the business judgment rule or conducted in accordance with a settlement agreement (the "1990 Settlement") entered into in 1990 pertaining to certain prior litigation. The Amended Complaint also makes other allegations which involve (i) further violations of the 1990 Settlement by the Company's engaging in certain transactions not approved by the Special Transaction Committee; (ii) the sale of a subsidiary of the Company to a former officer of the Company, (iii) the timing of the 1991 Transaction and (iv) the treatment of executive stock options in the 1991 Transaction. In November 1993, plaintiff filed a class action and derivative complaint, Civil Action 13248, (the "1993 Complaint") against the Company, the members of the Board of Directors, CT, CTF, Jorge Mas Canosa, Jorge Mas and Juan Carlos Mas (CT, CTF, Jorge Mas Canosa, Jorge Mas and Juan Carlos Mas are referred to as the "CT Defendants"). In December 1993, plaintiffs amended the 1993 Complaint ("1993 Amended Complaint"). The 1993 Amended Complaint alleges, among other things, that (i) the Board of Directors and NBC, as the Company's largest stockholder at the time, breached their respective fiduciary duties by approving the Acquisition Agreement and the Redemption (as defined in the Proxy Statement dated February 10, 1994) which, according to the allegations of the 1993 Complaint, benefits Mr. Caporella at the expense of the Company's stockholders, (ii) the CT Defendants had knowledge of the fiduciary duties owed by NBC and the Board of Directors and knowingly and substantially participated in their breaches thereof, (iii) the Special Transaction Committee of the Board of Directors which approved the Acquisition Agreement and Redemption was not independent and, as such, was not in accordance with the 1990 Settlement, (iv) the Board of Directors breached its fiduciary duties by failing to take an active and direct role

in the sale of the Company and failing to ensure the maximization of stockholder value in the sale of control of the company, and (v) the Board of Directors and NBC, as the Company's largest stockholder at the time, breached their respective fiduciary duties by failing to disclose completely all material information regarding the Acquisition Agreement and the Redemption.

The 1993 Complaint also claims derivatively that each member of the Board of Directors engaged in mismanagement, waste and breach of their fiduciary duties in managing the Company's affairs. On November 29, 1993, plaintiff filed a motion for an order preliminarily and permanently enjoining the Acquisition and the Redemption. On March 7, 1994, the court heard arguments with respect to plaintiff's motion to enjoin the Acquisition and Redemption and on March 10, 1994, the court denied plaintiff's request for injunctive relief.

The Company believes that the allegations in the complaint, the Amended Complaint, the 1993 Complaint and the 1993 Amended Complaint are without merit, and intends to vigorously defend these actions.

William C. Deviney, Jr. v. Burnup & Sims Inc., et al., Civil Action No. 152350 was filed in the Chancery Court of the First Judicial District of Hines County, Mississippi on May 3, 1993. The plaintiff in this action filed suit seeking specific performance of alleged obligations of the Company pursuant to a stock purchase agreement and related agreements entered into in 1988. Pursuant to the agreements, the Company sold to plaintiff a minority interest in a utilities services subsidiary and granted to plaintiff an option to purchase the remaining stock if certain conditions were satisfied. On July 5, 1994 a final judgement was entered for the plaintiff, and in satisfaction thereof, the following transactions occurred on July 15, 1994: (1) the ownership in the utilities services subsidiary was transferred to the plaintiff in consideration of \$400,000, representing the initial investment of the Company; (2) an assignment of master contracts was executed; (3) various intercompany receivables were settled resulting in a \$580,000 payment by the plaintiff to Company; and (4) \$200,000 of attorneys fees was paid to the plaintiff. The Company accounted for this transaction as a purchase accounting adjustment, accordingly, the settlement will have no adverse effect on the current financial position of the Company.

On March 22, 1993, Jorge Gamez, as Personal Representative of the Estate of Jorge A. Gamez, deceased, filed a suit against the Church & Tower, Inc., a Florida Corporation, et al., Civil Action 93-07318 CA 20, filed in the Circuit Court of the 11th Judicial Circuit in and for Dade County, Florida on and amended on April 20, 1994, to include MasTec, Inc. In October 1994, the Company settled its suit with Jorge Gamez for \$1,382,000 of which \$1,000,000 was paid by the Company's insurance carrier. The cost to the Company had been provided for in the prior fiscal year.

Federal, state and local laws and regulations govern the Company's operation of underground fuel storage tanks. The Company is in the process of removing, restoring and upgrading certain tanks, as required by the applicable laws, and has identified these tanks and surrounding soil which will require remedial cleanups. At September 30, 1994, \$630,000 had been

accrued for site remediation and is reflected in the accompanying Consolidated Balance Sheet as part of "Other Current Liabilities."

The Company is also a defendant in other legal actions arising in the normal course of business. Management believes, based on consultations with legal counsel, that the amount reserved in the accompanying financial statements is adequate to cover the estimated losses expected to be incurred in connection with these matters.

Item 2. Management's Discussion and Analysis of Results of Operations
and Financial Condition

The following discussion should be read in conjunction with the Company's
Condensed Consolidated Financial Statements and related notes thereto.

RESULTS OF OPERATIONS

Three Months Ended September 30, 1994 vs. Three Months Ended September 30,
1993

The results for the quarter ended September 30, 1993 include three months
of operations of the CT Group only. (See Note 1 to the Condensed
Consolidated Financial Statements.)

Revenues for the quarter increased by approximately \$36.9 million primarily
resulting from the inclusion of revenues from acquired companies
(approximately \$33.5 million) coupled with increases in utilities services
revenue of \$5.3 million resulting from customers increasing work orders,
offset by a \$1.9 million decrease in revenues from the Company's
construction services segment due to the completion of a project included
in last year's results.

Costs of revenues as a percentage of revenues increased from 67% in 1993 to
approximately 75% in 1994, due to lower margins realized on certain Burnup
contracts and costs associated with starting new utilities service
contracts.

General and administrative expenses increased by approximately \$4 million
due primarily to the impact of the Burnup Acquisition. However, as a
percent of revenue, expenses decreased from 12% in 1993 to 11% in 1994, as
a result of enhanced administrative efficiencies and economies of scale.

Depreciation and amortization increased as a percentage of revenues from 2%
in 1993 to 4% in 1994, primarily as a result of adjustments in asset
values made in connection with the Burnup Acquisition.

Interest expense increased primarily due to debt assumed and the incurrence
of indebtedness to shareholders pursuant to the Burnup Acquisition.

The increase in interest and dividend income resulted from the Burnup
Acquisition. Other income increased due to the rental of certain equipment
to a third party and gains realized on the sale of machinery and equipment.

Equity in earnings of unconsolidated joint ventures increased due to
estimated losses incurred during the first nine months of 1993 resulting
from the nonpayment of certain change orders, of which certain claims were
subsequently settled.

MasTec, Inc.
MANAGEMENT'S DISCUSSION AND ANALYSIS OF
RESULTS OF OPERATIONS AND FINANCIAL CONDITION
September 30, 1994

The provision for income taxes approximates 37% of pretax income for the three months ended September 30, 1994 and was affected by state income taxes and preferred stock dividends. The CT Group was not subject to taxation in 1993 as it had elected to be treated as an S Corporation under the IRC.

Nine months Ended September 30, 1994 vs Nine Months Ended September 30, 1993

The results for the nine months ended September 30, 1994 include nine months of operations of the CT Group, operating results of Burnup for the period March 11, 1994 through September 30, 1994, of DTI for the period June 22, 1994 to September 30, 1994 and of Buchanan for the period July 22, 1994 to September 30, 1994. (See Note 1 to the Condensed Consolidated Financial Statements.)

Revenues for the nine months ended September 30, 1994 increased by approximately \$62.5 million primarily resulting from the inclusion of revenues generated by acquired companies (approximately \$70.7 million), offset by an \$8.6 million decrease in revenues from the Company's construction services segment.

Cost of revenues as a percentage of revenues increased from 64% in 1993 to 76% in 1994, due to lower margins realized on certain Burnup contracts and costs associated with starting new utilities services contracts.

General and administrative expenses increased by approximately \$7.2 million due primarily to the impact of the Acquisition.

Depreciation and amortization increased as a percentage of revenues from 1% in 1993 to 4% in 1994, primarily as a result of the acquisitions and additional depreciation expense resulting from a fleet replacement program implemented in the latter part of 1993.

Interest expense increased due to debt assumed and the incurrence of indebtedness to shareholders pursuant to the Burnup Acquisition.

The increase in interest and dividend income resulted from the Burnup Acquisition.

Upon consummation of the Acquisition, the CT Group's election to be treated as an S Corporation was terminated and, accordingly, the Company recognized a net deferred tax asset of approximately \$435,000 related to deductible temporary differences. This benefit was reduced by a provision for the results of operations of the consolidated group for the period March 11, 1994 to September 30, 1994 at an effective tax rate of 37%. The CT Group was not subject to tax in 1993 as it had elected to be treated as an S Corporation under the IRC.

FINANCIAL CONDITION
LIQUIDITY AND CAPITAL RESOURCES

September 30, 1994 vs. December 31, 1993

The Company's cash position increased to approximately \$9.4 million at September 30, 1994 from \$8.9 million at December 31, 1993. Cash of \$1.9 million was generated by improved operating activities reduced by changes in various components of working capital, particularly an increase in accounts receivable. This increase in receivables was primarily the result of an increase in revenues. Cash of \$619,000 was used in investing activities, including \$6.5 million provided by acquisitions, \$3.6 million loaned to shareholders to pay taxes on the earnings of the CT Group under Subchapter S status, \$1 million used for the DTI Acquisition and \$850,000 used for the purchase of the assets of Buchanan as discussed in Note 1 to the Condensed Consolidated Financial Statement. Cash of \$1.9 million was used during the nine months ended September 30, 1994 for debt repayments. The Company borrowed \$1 million to finance one of its Acquisitions during the period.

Significant adjustments to the balance sheet were recorded as a result of the Acquisitions, (see Note 1 to the Condensed Consolidated Financial Statements) as more fully detailed in the supplemental schedule of non-cash investing activities of the Condensed Consolidated Statement of Cash Flows for the nine months ended September 30, 1994.

Debt agreements contain, among other things, restrictions on the payment of dividends and require the maintenance of certain financial covenants. (See Note 4 to the Condensed Consolidated Financial Statements.)

The Company anticipates that operating cash requirements, capital expenditures, and debt service will substantially be funded from cash flow generated by operations, as well as, trade and external financing. The Company is currently negotiating the refinancing of certain existing debt and the extension of new credit facilities.

The Company currently has no additional material commitments for capital expenditures; however, it is continuously evaluating the need for equipment fleet improvements and replacements.

Item 1. Legal Proceedings

See the description under Note 8 to the Condensed Consolidated Financial Statements which is hereby incorporated by reference.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits.

Item 27. Article 5 - Financial Data Schedule

(b) Reports on Form 8-K.

On September 1, 1994, the Company filed Form 8-K/A reporting information under Item 7(a) thereof regarding the financial statements of Designed Traffic Installation, Co. acquired by the Company on June 22, 1994 .

MasTec, Inc.
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 14 , 1994

/s/ Carlos A. Valdes

Carlos A. Valdes
Sr. Vice-President - Finance
(Principal Financial Officer)
and
Authorized Officer of the
Registrant

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM THE THIRD QUARTER 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH 10-Q.

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9-MOS			
	DEC-31-1994		
	JAN-01-1994		
	SEP-30-1994		
		9,353	
		0	
		34,564	
		(1,531)	
		4,480	
		52,302	
		63,840	
		(5,269)	
		151,712	
	32,419		
		0	
		2,643	
	0		
		0	
		46,503	
151,712			
		99,553	
	99,553		
		0	
		91,118	
		(1,803)	
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		2,542	
		7,696	
		1,905	
	5,791		
		0	
		0	
		0	
		5,791	
		0.36	
		0.36	