

## **PROJECT ABSTRACT**

**Name of Project:** Loma Negra C.I.A.S.A. Capital Expenditures

**Country:** Argentina

**Borrower:** Loma Negra C.I.A.S.A.

**Project Cost:** Up to US\$155 million

**IDB Participation:** IDB A-Loan US\$25 million

**Department:** Structured and Corporate Finance Department (SCF)

**Status:** Due diligence

**Date:** July 21, 2008

### **Project Description**

Loma Negra C.I.A.S.A. is the largest cement producer in Argentina. The proposed Project mainly refers to i) the expansion of cement production capacity by approx. 20% through the incorporation of two new mills in the provinces of Catamarca and Buenos Aires respectively, and other investments to improve the performance of other facilities, and ii) environmental related investments for an enhanced control of dust emissions.

### **IDB Participation**

IDB financing will provide a longer loan tenor than that available on a stand alone basis in the commercial banking market for Loma Negra and will mobilize additional commercial financing through a B-Loan. The capacity expansion will allow the company to meet a robust demand from the construction industry in different parts of the country with better logistics and lower costs.

The investment program will benefit consumers mostly in the form of better customer service by reducing waiting times for product delivery. The environmental efforts will have a positive impact on the communities located on the vicinity of the company's facilities as less amount of dust generated from production activities will be released into the air.