Mexico's Cemex Secures $1.15 Bln Multi-Tranche Loan

DOW JONES NEWSWIRES

(Mexico city) -- Mexico's Cemex SA (CX) said Wednesday its Dutch unit has obtained a $1.15 billion syndicated loan denominated in euros, yen and U.S. dollars that will allow the world's third-largest cement maker to cut exposure in derivatives and prepay debt.

Monterrey-based Cemex said in a press release that the loan has three tranches: one is for EUR256.4 million maturing in two years, a second for $550 million due in three years and a third for Y32.69 billion that also matures in three years. Interest rates weren't disclosed.

The second and third tranches can be extended for six months. The loan, granted to Dutch unit New Sunward Holding B.V., is guaranteed by Cemex and local subsidiaries Cemex Mexico and Empresas Tolteca de Mexico.

"This transaction represents yet another important step toward a simpler capital structure, allowing us to reduce the use of currency derivatives by borrowing directly in yen," chief financial officer Rodrigo Trevino said in the press release.

The loan will be used to refinance a revolving credit facility of $400 million and to prepay the remaining $650 million balance of the preferred equity issued for the acquisition of U.S.-based Southdown in 1999.

The rival of France's Lafarge and Switzerland's Holcim had $5.68 billion in debt as of the end of the third quarter.

Citigroup Global Markets and J.P. Morgan Securities were the joint bookrunners; while Credit Agricole Indosuez/Credit Lyonnais acted as syndication agent.

Lead arrangers include Citibank, ABN AMRO Bank, BNP Paribas, Citigroup Global Markets, Credit Agricole Indosuez/Credit Lyonnais, J.P. Morgan Securities and Santander Central Hispano.

Company Website http://www.cemex.com