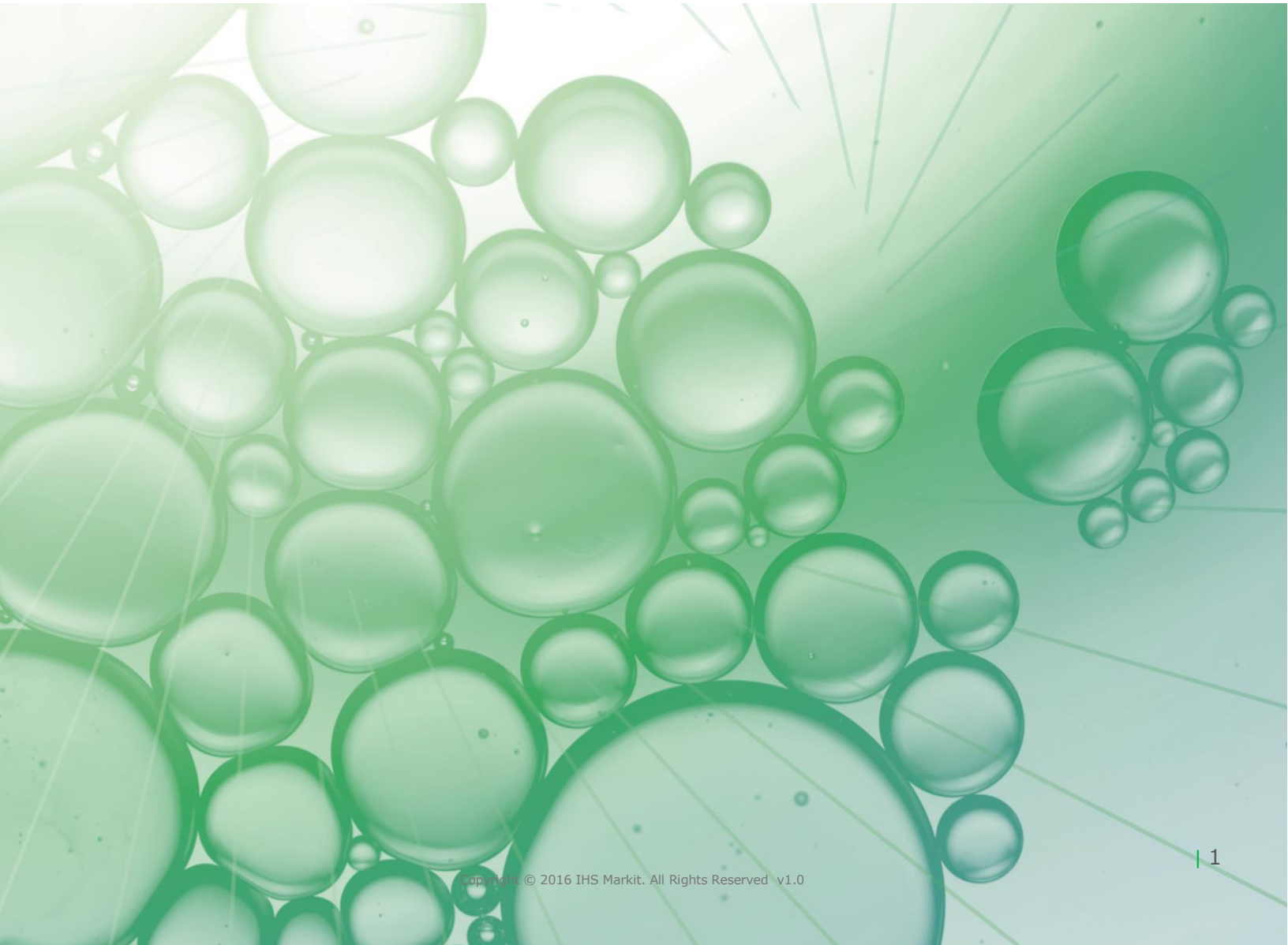




**Competitive Cost & Margin Analytics (CCMA)**

# How CCMA helps: Business Cases



## Business Case 1

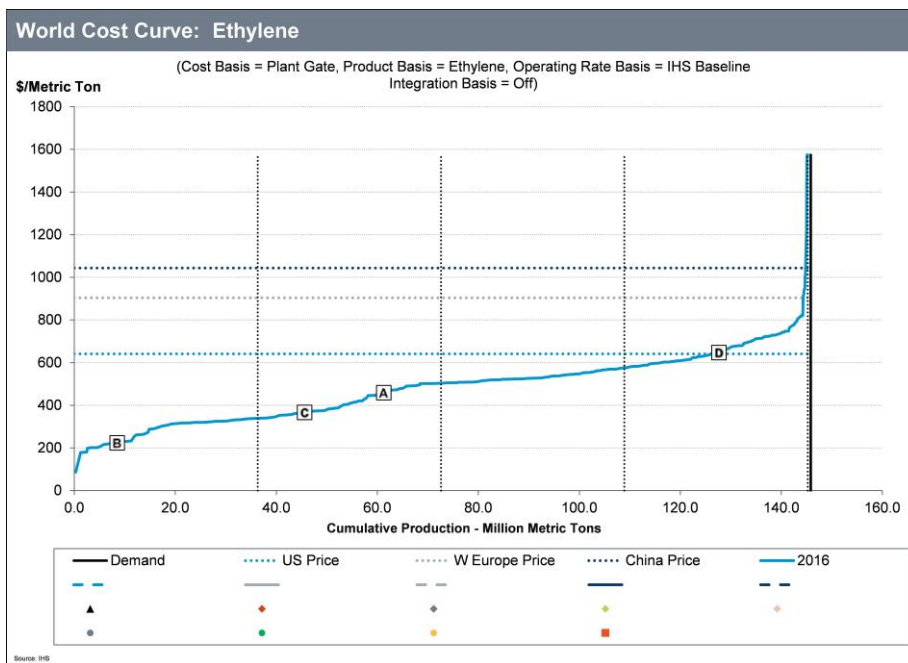
Understanding where your plant stands competitively against county/regional/global producers.

## Approach

IHS CCMA shows cash costs (ex-plant or plant-gate cost) for all commercially operating plants globally, based on country-level unit costs, feedstock and coproducts prices and credits, and fixed cost parameters for every commercially used process technology. CCMA also allows for analysis at the full cost (including depreciation) level and with the addition of return on investment.

The cost curve can also be viewed as a margin curve, which illustrates the cash or full cost margin for each of the plants, by subtracting the cost of production from the country-level product market price.

## Snapshot



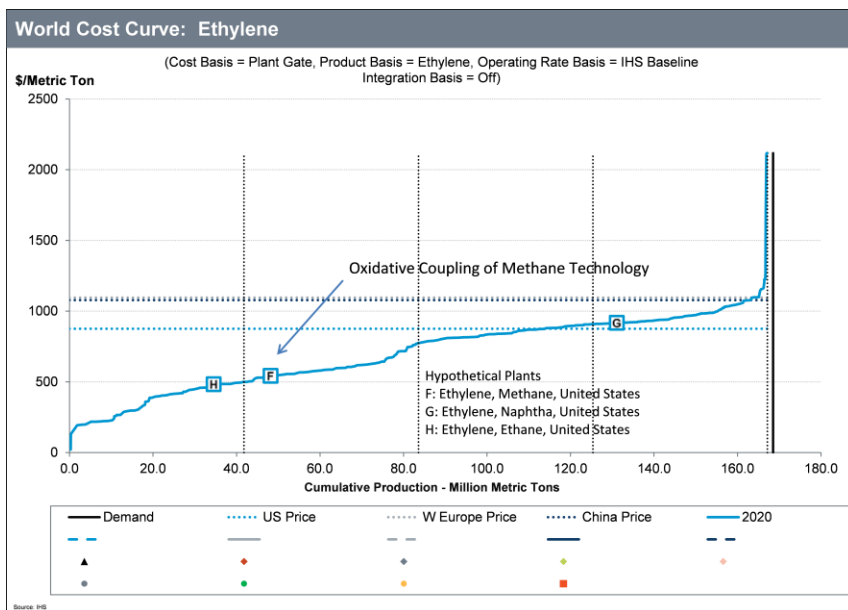
## Business Case 2

How can I estimate the viability of new technologies?

### Approach

The CCMA Hypothetical Plants analysis function allows the subscriber to not only simulate the cost and margin positions of a new or existing plant using commercially practiced technology, but the sensitivity analysis capability allows for simulating new or emerging technologies in order to estimate future competitiveness, whether it is based on new process technology or new feedstock options.

### Snapshot



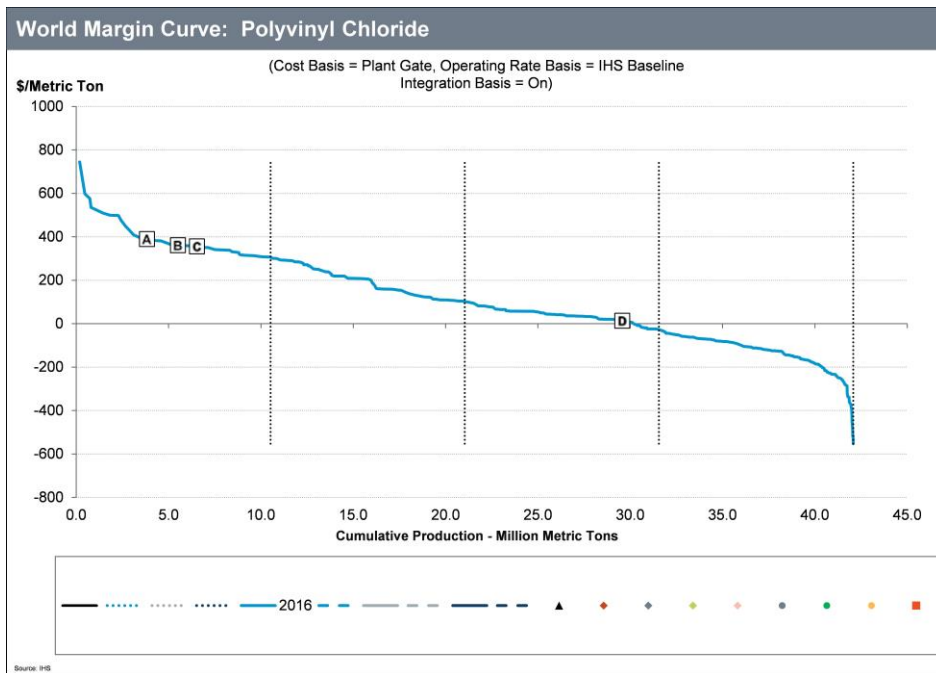
## Business Case 3

How can I use better understand my purchasing position for contract negotiation?

### Approach

CCMA allows the subscriber purchasing manager to better understand the supplier's cost and margin structure in the material value chain and to gain leverage when negotiating supply contracts.

### Snapshot



## Business Case 4

Oil prices globally have seen dynamic change. How does this change global and regional competitiveness?

### Approach

Not only does CCMA forecast (5 years) the changes in global competitiveness and plant profitability as estimated by IHS Energy oil, natural gas, NGL and coal price forecasts, but CCMA also allows the subscriber to input any oil price in the future and generate all other feedstocks, intermediates, coproducts and product prices and the resulting competitive cost and margin curves.

### Snapshot

