

Silver Wheaton  
 Ticker: SLW (NYSE)  
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Inputs	
Beta	1.02
Cost of Equity	8.7%
Cost of Debt	4.9%
WACC	8.7%
Terminal Growth	2.0%
Effective Tax Rate	15.0%

	2009	2010	2011	2012	2013	Terminal	Assumption
<b>Operating Data</b>							
Silver Sales (Moz)	15.61	24.32	28.79	29.52	39.98		
Silver equiv. Gold sales	1.24	1.7	1.56	1.4	1.62		
Total Cash Costs	3.97	3.99	4.03	4.09	4.1		
Avg Realized Silver Price	17.3	18	18	19	20		
<b>Financial Data</b>							
Total Revenue	291.51	468.36	546.30	587.48	832.00		
COGS	61.97	97.04	116.02	120.74	163.92		
% of Revenue	21%	21%	21%	21%	20%		
Gross Profit	229.53	371.32	430.28	466.74	668.08		
SG&A	29.15	46.84	54.63	58.75	83.20		
% of Revenue	10%	10%	10%	10%	10%		SG&A (% of Revenue) 10%
D&A	34.98	56.20	65.56	70.50	99.84		
% of Revenue	12%	12%	12%	12%	12%		D&A (% of Revenue) 12%
Interest Expense	14.28	28.56	28.56	28.56	28.56		
Gain/Loss on MTM	0	0	0	0	0		
Net Income before Taxes	151.12	239.72	281.53	308.94	456.48		
Net Income After Tax	128.45	203.77	239.30	262.60	388.01		Effective Tax Rate 15%
<b>Add Back:</b>							
D&A	34.98	56.20	65.56	70.50	99.84		
Interest/Debt Expense	14.28	28.56	28.56	28.56	28.56		
Less: CapEx	52.47	84.30	98.33	105.75	149.76		CapEx (Factor of D&A) 1.5
Cash Flow to Firm	125.24	204.22	235.08	255.91	366.65	5,452.17	
PV Factor	0.50	0.92	0.85	0.78	0.72	0.78	
PV of Cash Flows	62.62	187.84	198.87	199.11	262.38	4,242.12	

Total EV	5,152.94
Net Debt	150.20
Cash	48.59
Equity Value	5,051.33
Shares outstanding	311.80
Implied Share Price	\$16.20
Current Share Price	\$13.90
<b>Upside</b>	<b>17%</b>