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APPLICABLE PRICING SUPPLEMENT

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**DISCOVERY LIMITED**

*(Incorporated in the Republic of South Africa with limited liability under Registration number: 1999/007789/06)*

**Issue of ZAR200,000,000 Fixed Rate Notes due 21 November 2024**

**Under its ZAR10,000,000,000 Domestic Medium Term Note Programme**

**Unconditionally and irrevocably guaranteed, jointly and severally by**

**DISCOVERY HEALTH PROPRIETARY LIMITED**

*(incorporated in the Republic of South Africa with limited liability under Registration Number 1997/013480/07)*

and

**DISCOVERY VITALITY PROPRIETARY LIMITED**

*(incorporated in the Republic of South Africa with limited liability under Registration Number 1999/007736/07)*

**DSY03**

This document constitutes the Applicable Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the terms and conditions (the "**Terms and Conditions**") set forth in the Discovery Limited ZAR10,000,000,000 Domestic Medium Term Note Programme Memorandum dated 14 November 2017 (the "**Programme Memorandum**"), as updated and amended from time to time. This Applicable Pricing Supplement must be read in conjunction with such Programme Memorandum. To the extent that there is any conflict or inconsistency between the contents of this Applicable Pricing Supplement and the Programme Memorandum, the provisions of this Applicable Pricing Supplement shall prevail.

Prospective purchasers of any Notes should ensure that they fully understand the nature of the Notes and the extent of their exposure to risks, and that they consider the suitability of the Notes as an investment in the light of their own circumstances and financial position. Specialist securities involve a high degree of risk, including the risk of losing some or a significant part of their initial investment. Potential investors should be prepared to sustain a total loss of their investment in such Notes. The Notes represent general, unsecured, unsubordinated, contractual obligations of the Issuer and rank *pari passu* in all respects with each other.

Purchasers are reminded that the Notes constitute obligations of the Issuer only and of no other person. Therefore, potential purchasers should understand that they are relying on the creditworthiness of the Issuer.

#### **PARTIES**

1.	Issuer	Discovery Limited
2.	Specified Office	155 West Street, Sandton, 2146, South Africa
3.	Guarantor	Discovery Health Proprietary Limited
4.	Specified Office	155 West Street, Sandton, 2146, South Africa
5.	Guarantor	Discovery Vitality Proprietary Limited
6.	Specified Office	155 West Street, Sandton, 2146, South Africa
7.	If non-syndicated, Dealer(s)	Rand Merchant Bank, a division of FirstRand Bank Limited
8.	If syndicated, Managers	N/A
9.	Debt Sponsor	Rand Merchant Bank, a division of FirstRand Bank Limited
10.	Issuer Agent	Rand Merchant Bank, a division of FirstRand Bank Limited
11.	Specified Office	1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196, South Africa
12.	Transfer Agent	Rand Merchant Bank, a division of FirstRand Bank Limited

13.	Specified Office	1 Merchant Place, Corner Fredman Drive and Rivonia Road, Sandton, 2196, South Africa
14.	Stabilising manager (if any)	N/A
15.	Specified Office	N/A

#### PROVISIONS RELATING TO THE NOTES

16.	Status of Notes	Senior Note (see Condition 5 ( <i>Status of Senior Notes</i> ) of the Terms and Conditions)  Unsecured but guaranteed
	(i) Series Number	3
	(ii) Tranche Number	1
17.	Guaranteed	Yes
18.	Aggregate Nominal Amount of Tranche	ZAR200,000,000
19.	Aggregate Nominal Amount of Notes Outstanding as at the Issue Date	N/A
20.	Interest Payment Basis	Fixed Rate
21.	Form of Notes	Listed Registered Notes: The Notes in this Tranche are issued in uncertificated form and held by the CSD.
22.	Automatic/Optional Conversion from one Interest/Redemption/Payment Basis to another	N/A
23.	Issue Date	21 November 2017
24.	Business Centre	Johannesburg
25.	Additional Business Centre	N/A
26.	Nominal Amount	ZAR1,000,000.00 per Note

27.	Specified Denomination	ZAR1,000,000.00 per Note
28.	Issue Price	100% (one hundred percent)
29.	Interest Commencement Date	21 November 2017
30.	Maturity Date	21 November 2024
31.	Specified Currency	ZAR
32.	Applicable Business Day Convention	Modified Following Business Day
33.	Final Redemption Amount	The aggregate Outstanding Nominal Amount per Note plus interest, if any, to Maturity Date.
34.	Books Closed Period(s)	The Register will be closed from 11 May to 20 May and from 11 November to 20 November (all dates inclusive) in each year until the Maturity Date
35.	Last Day to Register	By 17:00 on the 10 May and, 10 November in each year until the Maturity Date
36.	Default Rate	N/A
37.	<b>FIXED RATE NOTES</b>	
	(i) Fixed Rate of Interest	10.46% (ten point four six percent) per annum payable semi-annually in arrear
	(ii) Fixed Interest Payment Date(s)	21 May and 21 November in each year up to and including the Maturity Date with the first interest payment date being 21 May 2018
	(iii) Fixed Coupon Amount(s)	N/A
	(iv) Initial Broken Amount	N/A
	(v) Final Broken Amount	N/A
	(vi) Interest Rate Determination Date(s)	21 May and 21 November in each year until the Maturity Date
	(vii) Day Count Fraction	Actual/365

(viii) Any other terms relating to the particular method of calculating interest	N/A
<b>FLOATING RATE NOTES</b>	N/A
<b>ZERO COUPON NOTES</b>	N/A
<b>PARTLY PAID NOTES</b>	N/A
<b>INSTALMENT NOTES</b>	N/A
<b>MIXED RATE NOTES</b>	N/A
<b>INDEX-LINKED NOTES</b>	N/A
<b>DUAL CURRENCY NOTES</b>	N/A
<b>EXCHANGEABLE NOTES</b>	N/A
<b>EXTENDIBLE NOTES</b>	N/A
<b>EQUITY-LINKED NOTES</b>	N/A
<b>OTHER NOTES</b>	N/A
<b>PROVISIONS REGARDING REDEMPTION / MATURITY</b>	
38. Prior consent of the Relevant Registrar or Regulator required for any redemption	No
If yes: conditions applicable to consent of the Relevant Registrar or Regulator	N/A
39. Redemption at the option of the Issuer:	No
If yes:	
(i) Optional Redemption Date(s)	N/A
(ii) Optional Redemption Amount(s) and method, if any, of calculation of such amount(s)	N/A
(iii) Minimum period of notice (if different from Condition 14.3 (Early Redemption	N/A

	<i>at the Option of the Issuer))</i>	
	(iv) Redeemable in part:	N/A
	If yes:	
	Minimum Redemption Amount(s)	N/A
	Higher Redemption Amount(s)	N/A
	(v) Other terms applicable on Redemption	
40.	Redemption at the Option of the Senior Noteholders:	No
	If yes:	
	(i) Optional Redemption Date(s)	N/A
	(ii) Optional Redemption Amount(s)	N/A
	(iii) Minimum period of notice (if different from Condition 14.4 ( <i>Early Redemption at the option of Noteholders of Senior Notes</i> ))	N/A
	(iv) If redeemable in part:	
	Minimum Redemption Amount(s)	N/A
	Higher Redemption Amount(s)	N/A
	(v) Other terms applicable on Redemption	N/A
	(vi) Attach pro forma put notice(s)	
41.	Redemption at the Option of the Senior Noteholders upon the occurrence of an Optional Redemption Event in terms of Conditions 14.6, 14.7, 14.8, 14.9 or 14.10:	Yes
	(i) Early Redemption in the event of a loss of the assigned Rating of the Issuer	Yes

(ii)	Early Redemption in the event of a loss of the assigned Rating of the Senior Notes	N/A
(iii)	Early Redemption in the event that the Notes are no longer listed on a Financial Exchange	Yes
(iv)	Early Redemption in the event that the Issuer is no longer listed on a Financial Exchange	Yes
(v)	Early Redemption at the option of the Senior Noteholders in the event of a termination, cancellation or invalidity of the Guarantee	Yes
42.	Early Redemption Amount(s) payable on redemption for taxation reasons or on Event of Default (if required).	Yes
	If an amount other than the Early Redemption Amount is payable on redemption for taxation reasons or on Event of Default	
(i)	Amount payable; or	N/A
(ii)	Method of calculation of amount payable	<p data-bbox="852 1364 1351 1420">The Early Redemption Amount derived by the sum of the following -</p> <p data-bbox="852 1469 1351 1711">(a) each outstanding Interest Amount for each future Interest Payment Date discounted by the Discount Rate for the period between the Early Redemption Date and each respective Interest Payment Date, both days inclusive; and</p> <p data-bbox="852 1760 1351 1912">(b) the Outstanding Principal Amount discounted by the Discount Rate for the period between the Early Redemption Date and the Final Redemption Date, both days inclusive.</p>
	For purposes of this paragraph 27, "Discount	

Rate" means the rate calculated as the sum of the yield of the Republic of South Africa Internal Registered Bond R186 (issued on 19 March 1998 and redeemable on 21 December 2026) at the Early Redemption Date plus 110 basis points

## GENERAL

43.	Notes in issue	As at the date of this issue, the Issuer has not issued any Notes other than the ZAR200,000,000 issued as Tranche 1 of this Series.
		The aggregate Nominal Amount of all Notes issued under the Programme as at the Issue Date, together with the aggregate Nominal Amount of this Tranche (when issued), will not exceed the Programme Amount.
44.	Financial Exchange	JSE Limited
45.	Relevant sub-market of the Financial Exchange	Interest Rate Market of the JSE Limited
46.	Additional selling restrictions	N/A
47.	ISIN No.	ZAG000148354
48.	Stock Code	DSY03
49.	Provisions relating to stabilisation	N/A
50.	Method of distribution	Dutch Auction
51.	Governing law (if the laws of South Africa are not applicable)	South Africa
52.	Use of proceeds	General business purposes
53.	Pricing Methodology	Standard JSE pricing methodology
54.	Other provisions	N/A



55.	Rating and issue date thereof	Issuer has been assigned a Rating of Aa3.za by Moodys in October 2017.
56.	Date of rating review	The rating will be updated annually.
57.	Rating of Guarantor	The Guarantors have not been assigned a Rating by a Rating Agency.
58.	Date of rating review	N/A
59.	Rating of Guarantor	The Guarantors have not been assigned a Rating by a Rating Agency.
60.	Date of rating review	N/A
61.	Rating Agency	Moodys

**DISCLOSURE REQUIREMENTS IN TERMS OF PARAGRAPH 3(5) OF THE COMMERCIAL PAPER REGULATIONS**

62. Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

63. Paragraph 3(5)(b)

The Issuer is a going concern and can in all circumstances be reasonably expected to meet its commitments under the Notes.

64. Paragraph 3(5)(c)

The auditor of the Issuer is PriceWaterhouseCoopers Inc.

65. Paragraph 3(5)(d)

As at the date of this issue:

- (i) the Issuer has not issued any commercial paper; and
- (ii) the Issuer estimates that it may still issue ZAR750,000,000 of commercial paper (excluding the issuer of commercial paper under this Series) during the current financial year.

66. Paragraph 3(5)(e)

All information that may reasonably be necessary to enable the investor to ascertain the nature of the financial and commercial risk of its investment in the Notes is contained in the Programme

Memorandum and the Applicable Pricing Supplement.

67. Paragraph 3(5)(f)

There has been no material adverse change in the financial or trading position of the Issuer since the date of its last audited financial statements up to the date of this Programme Memorandum.

68. Paragraph 3(5)(g)

The Notes issued will be listed.

69. Paragraph 3(5)(h)

The funds to be raised through the issue of the Notes are to be used by the Issuer for its general corporate purposes.

70. Paragraph 3(5)(i)

The obligations of the Issuer in respect of the Notes are secured.

71. Paragraph 3(5)(j)

PriceWaterhouseCoopers Inc., the statutory auditors of the Issuer, have confirmed that nothing has come to their attention to indicate that this issue of Notes issued under the Programme will not comply in all material respects with the relevant provisions of the Commercial Paper Regulations.

**Responsibility:**

The JSE takes no responsibility for the contents of the placing document and the annual financial statements and/or the pricing supplements and/or the annual report of the issuer and any amendments or supplements to the aforementioned documents. The JSE makes no representation as to the accuracy or completeness of the placing document and the annual financial statements and/or the pricing supplements and/or the annual report of the issuer and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The JSE's approval of the registration of the placing document and listing of the debt securities is not to be taken in any way as an indication of the merits of the Issuer or of the debt securities and that, to the extent permitted by law, the JSE will not be liable for any claim whatsoever.

The Issuer certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading and that all reasonable enquiries to ascertain such facts have been made as well as that the placing document contains all information required by law and the Debt Listings Requirements of the JSE Limited. The Issuer accepts full responsibility for the accuracy of the information contained in the placing document and the annual financial statements and/or the pricing

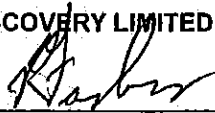
supplements, and/or the annual report and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

Application is hereby made to list this Issue of Notes on 21 November 2017.

SIGNED at                          on this 17<sup>th</sup> day of November 2017

for and on behalf of

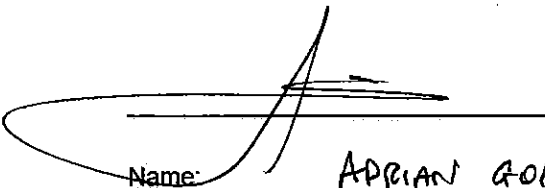
**DISCOVERY LIMITED**

Handwritten signature of Richard Farber written over a horizontal line.

Name: Richard Farber

Capacity: Director

Who warrants his/her authority hereto

Handwritten signature of Adrian Gore written over a horizontal line.

Name: ADRIAN GORE

Capacity: Director

Who warrants his/her authority hereto