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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 ZAR500,000,000 Floating Rate Notes due 21 November 2022**

**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)*

**DSY01**

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	1
	(ii) Tranche Number	1
17.	Guaranteed	Yes
18.	Aggregate Nominal Amount of Tranche	ZAR500,000,000
19.	Aggregate Nominal Amount of Notes Outstanding as at the Issue Date	N/A
20.	Interest Payment Basis	Floating 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 2022
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 February to 20 February; 11 May to 20 May; 11 August to 20 August 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 February, 10 May, 10 August and, 10 November until the Maturity Date
36.	Default Rate	N/A
	<b>FIXED RATE NOTES</b>	N/A
	<b>FLOATING RATE NOTES</b>	
38.	(i) Interest Rate(s)	Reference Rate plus Margin
	(ii) Interest Payment Date(s)	21 February, 21 May, 21 August and 21 November with the first Interest Payment Date being 21 February 2018
	(iii) Interest Period(s)	Quarterly
	(iv) Definition of Business Day (if different from that set out in Condition 1 (Interpretation)).	Following Business Day
	(v) Minimum Rate of Interest	3-month JIBAR, plus Margin

	(vi) Maximum Rate of Interest	3-month JIBAR, plus Margin
	(vii) Day Count Fraction	Actual/365
	(viii) Other terms relating to the method of calculating interest, if different from Condition 11.2 ( <i>Interest on Floating Rate Notes and Indexed Interest Notes</i> ) of the Terms and Conditions (e.g.: Day Count Fraction, rounding up provision)	N/A
39.	Manner in which the Rate of Interest is to be determined	Screen Rate Determination
40.	Margin	161 (one hundred and sixty one) basis points to be added to the relevant Reference Rate
41.	If ISDA Determination:	
	(i) Floating Rate	N/A
	(ii) Floating Rate Option	N/A
	(iii) Designated Maturity	N/A
	(iv) Reset Date(s)	N/A
	(v) ISDA Definitions to apply	N/A
42.	If Screen Determination:	
	(i) Reference Rate (including relevant period by reference to which the Rate of Interest is to be calculated)	ZAR-JIBAR-SAFEX with a designated maturity of 3 (three) months
	(ii) Interest Rate Determination Date(s)	21 February, 21 May, 21 August and 21 November of each year with the first Interest Rate Determination Date being 16 November 2017
	(iii) Relevant Screen Page and Reference Code	SAFEY Page, Code ZA01209
43.	If Rate of Interest to be calculated otherwise than by ISDA Determination or Screen Determination, insert basis for determining Rate of Interest/Margin/ Fall-back provisions	N/A
	<b>ZERO COUPON NOTES</b>	N/A
	<b>PARTLY PAID NOTES</b>	N/A

INSTALMENT NOTES	N/A
MIXED RATE NOTES	N/A
INDEX-LINKED NOTES	N/A
DUAL CURRENCY NOTES	N/A
EXCHANGEABLE NOTES	N/A
EXTENDIBLE NOTES	N/A
EQUITY-LINKED NOTES	N/A
OTHER NOTES	N/A

**PROVISIONS REGARDING REDEMPTION / MATURITY**

44.	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
45.	Redemption at the option of the Issuer: if yes:	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 ( <i>Early Redemption at the Option of the Issuer</i> ))	N/A
	(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	
46.	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)	N/A
47.	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	Yes

the Issuer is no longer listed on a Financial Exchange

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| (v)  | Early Redemption at the option of the Senior Noteholders in the event of a termination, cancellation or invalidity of the Guarantee  | Yes |
| 48.  | 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 [only complete if "no" elected in item 48 above]: |     |
| (i)  | Amount payable; or   | N/A |
| (ii) | Method of calculation of amount payable  | N/A |

#### GENERAL

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| 49. | Notes in issue                                | As at the date of this issue, the Issuer has not issued any Notes other than the ZAR500,000,000 issued as Tranche 1 of this Series.<br><br>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. |
| 50. | Financial Exchange                            | JSE Limited   |
| 51. | Relevant sub-market of the Financial Exchange | Interest Rate Market of the JSE Limited   |
| 52. | Additional selling restrictions               | N/A   |
| 53. | ISIN No.                                      | ZAG000148362  |



54.	Stock Code	DSY01
55.	Provisions relating to stabilisation	N/A
56.	Method of distribution	Dutch Auction
57.	Governing law (if the laws of South Africa are not applicable)	South Africa
58.	Use of proceeds	General business purposes
59.	Pricing Methodology	Standard JSE pricing methodology
60.	Other provisions	N/A
61.	Rating and issue date thereof	Issuer has been assigned a Rating of Aa3.za by Moodys as at October 2017.
62.	Date of rating review	To be reviewed annually
63.	Rating of Guarantor	The Guarantors have not been assigned a Rating by a Rating Agency.
64.	Date of rating review	N/A
65.	Rating of Guarantor	The Guarantors have not been assigned a Rating by a Rating Agency.
66.	Date of rating review	N/A
67.	Rating Agency	Moodys

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

68. Paragraph 3(5)(a)

The ultimate borrower is the Issuer.

69. 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.

70. Paragraph 3(5)(c)

The auditor of the Issuer is PriceWaterhouseCoopers Inc.

71. 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.

72. 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.

73. 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.

74. Paragraph 3(5)(g)

The Notes issued will be listed.

75. 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.

76. Paragraph 3(5)(i)

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

77. 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 respects with the material 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

