

DISCOVERY LIMITED  
(Incorporated in the Republic of South Africa)  
(Registration number: 1999/007789/06)  
ISIN: ZAE000022331  
Share Code: DSY  
("Discovery" or "the Company")

#### REFINANCING OF BEE TRANSACTION BY THE DISCOVERY FOUNDATION

Shareholders are referred to the circular issued to Discovery shareholders on 15 November 2005 ("Circular") and approved at a general meeting of the Company held on 8 December 2005, relating to a Black Economic Empowerment ("BEE") transaction, pursuant to which Discovery issued 7.05% of Discovery's then issued share capital to a consortium of BEE parties ( "BEE Transaction"). In terms of the BEE Transaction, Discovery issued 14 226 118 shares (2.59% of Discovery's then issued share capital) at R0.001 each to the Discovery Foundation ("The Foundation"), being one of the BEE Transaction consortium members, for an initial period of 10 years ("Initial Period").

Pursuant to the BEE Transaction, and as described in the Circular, Discovery and The Foundation entered into a subscription agreement ("Foundation Agreement") regulating, amongst other things:

- the issue of the abovementioned Discovery shares to The Foundation;
- a call option granted to Discovery to repurchase such number of shares at R0.001 per share, as calculated with reference to an agreed formula, as to provide Discovery with a notional return on the notional commencement amount, at the end of Initial Period; and
- the right of The Foundation to subscribe for the same number of shares repurchased by Discovery in terms of the call option referred to above, in order to restore The Foundation's shareholding in the Company to the level held prior to Discovery's exercise of the call option/repurchase ("Foundation Agreement").

Shareholders are advised that the Initial Period has expired and that The Foundation has resolved in terms of the Foundation Agreement to refinance its shareholding in Discovery which entails –

- The repurchase by Discovery of 5 666 134 Discovery shares held by The Foundation, at a price of R0.001 per Discovery share; and
- The issue to The Foundation by Discovery of 5 666 134 new Discovery shares at a price of R144.22 per Discovery share, representing the 30 day VWAP to 9 December 2015.

Sandton  
15 December 2015

Sponsor  
RAND MERCHANT BANK (A division of FirstRand Bank Limited)