



Share capital and share premium (audited)

Ordinary share capital and share premium

R million	Issued		Treasury shares			Total outstanding
	Share capital	Share premium	Discovery Health	BEE share trust	BEE transaction partners	
At 1 July 2016	1	8 378	(14)	(56)	(9)	8 300
Share movements:						
- treasury shares delivered	-	-	-	-	11	11
- treasury shares purchased	-	(1)	-	(2)	(2)	(5)
At 30 June 2017	1	8 377	(14)	(58)	-	8 306
Share movements:						
- treasury shares delivered	-	2	-	-	-	2
At 30 June 2018	1	8 379	(14)	(58)	-	8 308

Number of shares	Issued		Treasury shares			Total outstanding
			Discovery Health	BEE share trust	BEE transaction partners	
At 1 July 2016	647 427 946	(680 268)	(1 324 112)	(1 200 554)		644 223 012
Share movements:						
- cancelled from issue	(582 954)	-	-	-	-	(582 954)
- treasury shares delivered	-	-	138 408	1 200 554		1 338 962
- treasury share purchased	-	-	(20 000)		-	(20 000)
At 30 June 2017	646 844 992	(680 268)	(1 205 704)	-		644 959 020
Share movements:						
- treasury shares delivered	-	-	98 962		-	98 962
At 30 June 2018	646 844 992	(680 268)	(1 106 742)	-		645 057 982

The total authorised number of ordinary shares is 1 billion (2017: 1 billion), with a par value of 0.1 cent per share.

Expiry of BEE transaction in the prior year

In December 2005, Discovery concluded a BEE transaction pursuant to which 38 725 909 shares were issued to a consortium of BEE parties.

- 1 106 455 of these shares were issued to the Maphai SPV being one of the BEE consortium members for an initial period of 11 years (initial period). The shares were issued at R0.001 each, with a subscription consideration of R1.72 per share.

The difference between the market value of the ordinary shares issued to the BEE parties and the subscription consideration, represented an outstanding funded amount provided by Discovery shareholders (funded amount). These shares were treated as treasury shares.

The BEE parties committed to utilise any dividend or capital distributions made by Discovery to acquire additional Discovery shares in the market within three months of the date of any distributions. These additional shares were also treated as treasury shares.

At the end of the initial period,

- Discovery had the right to repurchase such number of ordinary shares at R0.001 per share that would provide Discovery with a notional return of the funded amount.
- In order for the BEE Partners to retain the full number of Discovery shares originally issued to them, the BEE Partners then had the right to simultaneously acquire from Discovery, at the then thirty-day volume-weighted average price per Discovery share, the same number of shares repurchased by Discovery.

The initial period of The Maphai SPV transaction expired in December 2016 and resulted in the following:

- Discovery repurchased 582 954 Discovery shares held by the Maphai SPV at a price of R0.001 per Discovery share.
- The Maphai SPV chose not to exercise their right to acquire the shares repurchased by Discovery. These shares have been cancelled from issue.

As a result of this transaction, treasury shares decreased by 1 200 554 shares, representing shares funded through this transaction as well additional shares purchased by the Maphai SPV utilising dividend distributions. The delivery of treasury shares purchased by the Maphai SPV using dividend distributions received in the past, resulted in an increase in Share Premium of R11 million.

All amounts funded in terms of the September 2005 BEE transaction have now been repaid.

Preference share capital

R million	Group 2018	Group 2017
Authorised		
40 000 000 A no par value preference shares		
20 000 000 B preference shares of R100 each	2 000	2 000
20 000 000 C no par value preference shares		
	2 000	2 000
Issued		
8 000 000 B preference shares of R100 each	800	800
Share issue costs	(21)	(21)
At 30 June	779	779

The B preference shares are non-compulsory, non-cumulative, non-participating, non-convertible, voluntarily redeemable preference shares and were issued at a coupon rate of 85% of prime rate. With the introduction of dividend withholding tax on 1 April 2012, the coupon rate on the preference shares was increased to 100% of the prime rate.