

Discovery Communications, Inc.

Form 424B5

March 13, 2013

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**CALCULATION OF REGISTRATION FEE**

Title of Each Class of Securities Offered	Amount to be Registered	Maximum Offering Price Per Unit	Maximum Aggregate Offering Price	Amount of Registration Fee(1)
3.250% Senior Notes due 2023	\$350,000,000	99.838%	\$349,433,000	\$47,663
Guarantee of 3.250% Senior Notes due 2023				(2)
4.875% Senior Notes due 2043	\$850,000,000	99.888%	\$849,048,000	\$115,811
Guarantee of 4.875% Senior Notes due 2043				(2)

(1) The filing fee is calculated in accordance with Rule 457(r) under the Securities Act of 1933, as amended.

(2) Pursuant to Rule 457(n), no separate fee is payable with respect to the guarantee.

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Filed pursuant to Rule 424(b)(5)  
Registration No. 333-182194

**PROSPECTUS SUPPLEMENT**

(to prospectus dated June 18, 2012)

***\$1,200,000,000***

**Discovery Communications, LLC**

***\$350,000,000 3.250% Senior Notes due 2023***

***\$850,000,000 4.875% Senior Notes due 2043***

*Unconditionally Guaranteed by*

**Discovery Communications, Inc.**

We are offering \$350,000,000 aggregate principal amount of 3.250% Senior Notes due 2023 (the 2023 notes ) and \$850,000,000 aggregate principal amount of 4.875% Senior Notes due 2043 (the 2043 notes and together with the 2023 notes, the senior notes ). The 2023 notes will bear interest at the rate of 3.250% per year and the 2043 notes will bear interest at the rate of 4.875% per year. Interest on the 2023 notes is payable on April 1 and October 1 of each year, beginning on October 1, 2013. Interest on the 2043 notes is payable on April 1 and October 1 of each year, beginning on October 1, 2013. The 2023 notes will mature on April 1, 2023 and the 2043 notes will mature on April 1, 2043.

We may redeem the senior notes in whole or in part at any time prior to their maturity at the redemption prices described in this prospectus supplement. If a Change of Control Triggering Event (as defined herein) occurs, we must offer to repurchase the senior notes at a redemption price equal to 101% of the principal amount, plus accrued and unpaid interest, if any, to the date of repurchase.

The senior notes will be unsecured and will rank equally with all our other unsecured senior indebtedness. The senior notes will be fully and unconditionally guaranteed on an unsecured and unsubordinated basis by Discovery Communications, Inc., our indirect parent company. The guarantee will rank equally with all other unsecured senior indebtedness of Discovery Communications, Inc.

Investing in the senior notes involves risk. See Risk factors beginning on page S-7.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Price to  
public(1)

Underwriting  
discounts

Proceeds,  
before  
expenses

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		<b>and</b>	
		<b>commissions</b>	
Per 2023 Note	99.838%	0.650%	99.188%
Total	\$349,433,000	\$ 2,275,000	\$ 347,158,000
Per 2043 Note	99.888%	0.875%	99.013%
Total	\$ 849,048,000	\$ 7,437,500	\$ 841,610,500

(1) Plus accrued interest, if any, from the date of original issuance.  
The senior notes will not be listed on any securities exchange.

The underwriters expect to deliver the senior notes on or about March 19, 2013 through the book-entry system of The Depository Trust Company and its participants, including Clearstream Banking société anonyme and Euroclear Bank, S.A./N.V.

*Joint Book-Running Managers*

**J.P. Morgan**

**Citigroup**

**BofA Merrill Lynch**

**RBS**

**Credit Suisse**

*Co-Managers*

**BNP PARIBAS**

**Morgan Stanley**

**RBC Capital Markets**

**Scotiabank**

**Credit Agricole CIB**

**Goldman, Sachs & Co.**

**SunTrust Robinson Humphrey**

**Wells Fargo Securities**

March 12, 2013

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We have not, and the underwriters have not, authorized anyone to provide any information other than that contained or incorporated by reference in this prospectus supplement, the accompanying prospectus or in any free writing prospectus prepared by or on behalf of us or to which we have referred you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not, and the underwriters are not, making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus or any free writing prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

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## **About this prospectus supplement**

This prospectus supplement relates to a prospectus which is part of a registration statement on Form S-3 that we filed with the Securities and Exchange Commission, or SEC, utilizing a shelf registration process. Under this shelf registration process, we may sell debt securities described in the accompanying prospectus in one or more offerings. The accompanying prospectus provides you with a general description of the debt securities we may offer. This prospectus supplement contains specific information about the terms of this offering. This prospectus supplement may add, update or change information contained in the accompanying prospectus. To the extent that information in this prospectus supplement is inconsistent with information in the accompanying prospectus, the information in this prospectus supplement replaces the information in the accompanying prospectus and you should rely on the information in this prospectus supplement. Generally, when we refer to the prospectus, we are referring to both parts of this document combined.

Except as the context otherwise requires, or as otherwise specified or used in this prospectus supplement or the accompanying prospectus, the terms we, our, us, and DCL refer to Discovery Communications, LLC; the terms Discovery and the Guarantor refer to Discovery Communications, Inc., together with its subsidiaries (unless the context requires otherwise); and the term DCH refers to Discovery Communications Holding, LLC. References in this prospectus supplement to U.S. dollars, U.S. \$ or \$ are to the currency of the United States of America.

The distribution of this prospectus supplement and the accompanying prospectus and the offering and sale of the senior notes in certain jurisdictions may be restricted by law. Persons who come into possession of this prospectus supplement and the accompanying prospectus should inform themselves about and observe any such restrictions. This prospectus supplement and the accompanying prospectus do not constitute, and may not be used in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

You should not consider any information in this prospectus supplement or the accompanying prospectus to be investment, legal or tax advice. You should consult your own counsel, accountant and other advisors for legal, tax, business, financial and related advice regarding the purchase of the senior notes. We are not making any representation to you regarding the legality of an investment in the senior notes by you under applicable investment or similar laws.

You should read and consider all information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus before making your investment decision.

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## **Where you can find more information**

Discovery files annual, quarterly and current reports, proxy statements and other information with the SEC. Its SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. Copies of certain information filed by Discovery with the SEC are also available on its website at <http://www.discoverycommunications.com>. Discovery's website is not a part of this prospectus supplement or the accompanying prospectus. You may also read and copy any document Discovery files at the SEC's public reference room, 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room.

The SEC allows Discovery to incorporate by reference the information Discovery files with the SEC into this prospectus supplement and the accompanying prospectus, which means that Discovery can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be part of this prospectus supplement and the accompanying prospectus, and information that Discovery files later with the SEC will automatically update and supersede the previously filed information. Discovery incorporates by reference the documents listed below and any future filings made with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), other than any portions of the respective filings that were furnished, under applicable SEC rules, rather than filed, until the completion of the offering of the senior notes:

- Annual Report on Form 10-K for the fiscal year ended December 31, 2012, filed on February 14, 2013, as amended by Amendment No. 1 on Form 10-K/A, filed on February 19, 2013 (collectively, the 2012 Annual Report );
- The information included in the Proxy Statement for the 2012 Annual Meeting of Stockholders, filed on March 30, 2012, to the extent incorporated by reference into Part III of the Annual Report on Form 10-K for the fiscal year ended December 31, 2011, filed on February 17, 2012; and
- Current Reports on Form 8-K, filed on January 9, 2012, June 1, 2012, August 23, 2012, November 13, 2012 (relating to Item 5.02), December 5, 2012, March 8, 2013, March 11, 2013 and March 12, 2013.

You may request a copy of these filings, at no cost, by writing or telephoning Discovery at the following address:

Discovery Communications, Inc.

One Discovery Place

Silver Spring, Maryland 20910

(240) 662-2000

Attn: Investor Relations

Exhibits to the filings will not be sent, however, unless those exhibits have specifically been incorporated by reference into such document.

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## **Forward-looking statements**

Certain statements in this prospectus supplement, the accompanying prospectus and any documents incorporated by reference herein or therein may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding Discovery's business, marketing and operating strategies, integration of acquired businesses, new service offerings, financial prospects, and anticipated sources and uses of capital. Words such as anticipates, estimates, expects, projects, intends, plans, believes, and words of similar substance used in connection with any discussion of future operating or financial performance identify forward-looking statements. Where, in any forward-looking statement, we express an expectation or belief as to future results or events, such expectation or belief is expressed in good faith and believed to have a reasonable basis, but there can be no assurance that the expectation or belief will result or be accomplished. The following is a list of some, but not all, of the factors that could cause actual results or events to differ materially from those anticipated:

- the inability of advertisers or affiliates to remit payment to Discovery in a timely manner or at all;
- general economic and business conditions;
- industry trends, including the timing of, and spending on, feature film, television and television commercial production;
- spending on domestic and foreign television advertising;
- market demand for foreign first-run and existing content libraries;
- the regulatory and competitive environment of the industries in which Discovery, and the entities in which it has interests, operate;
- continued consolidation of broadband distribution and production companies;
- uncertainties inherent in the development of new business lines and business strategies;
- uncertainties regarding the financial performance of Discovery's equity method investees;
- integration of acquired businesses;
- uncertainties associated with product and service development and market acceptance, including the development and provision of programming for new television and telecommunications technologies;
- changes in the distribution and viewing of television programming, including the expanded deployment of personal video recorders, video on demand, internet protocol television, mobile personal devices and personal tablets and their impact on television advertising revenue;

- rapid technological changes;
- future financial performance, including availability, terms, and deployment of capital;
- fluctuations in foreign currency exchange rates and political unrest in international markets;
- the ability of suppliers and vendors to deliver products, equipment, software, and services;

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- the outcome of any pending or threatened litigation;
  - availability of qualified personnel;
  - the possibility or duration of an industry-wide strike or other job action affecting a major entertainment industry union;
  - changes in, or failure or inability to comply with, government regulations, including, without limitation, regulations of the Federal Communications Commission and adverse outcomes from regulatory proceedings;
  - changes in income taxes due to regulatory changes or changes in Discovery's corporate structure;
  - changes in the nature of key strategic relationships with partners and equity method investee partners;
  - competitor responses to Discovery's products and services and the products and services of the entities in which it has interests;
  - threatened terrorist attacks and military action;
  - reduced access to capital markets or significant increases in costs to borrow;
  - a failure to secure affiliate agreements or renewal of such agreements on less favorable terms; and
  - a reduction of advertising revenue associated with unexpected reductions in the number of subscribers.
- For additional risk factors, refer to Item 1A, "Risk Factors" in the 2012 Annual Report. These forward-looking statements and such risks, uncertainties and other factors speak only as of the date of this prospectus supplement and we expressly disclaim any obligation or undertaking to disseminate any updates or revisions to any forward-looking statement contained herein, to reflect any change in our expectations with regard thereto, or any other change in events, conditions or circumstances on which any such statement is based.

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## Summary

*The following summary highlights information contained elsewhere in this prospectus supplement. It may not contain all of the information that you should consider before investing in the senior notes. For a more complete discussion of the information you should consider before investing in the senior notes, you should carefully read this entire prospectus supplement and the accompanying prospectus and the documents incorporated by reference herein.*

### **Discovery Communications, Inc.**

#### ***Business overview***

Discovery is a global media company that provides content across multiple distribution platforms, including digital distribution arrangements, throughout the world. As one of the world's largest nonfiction media companies, Discovery provides original and purchased content to more than 1.9 billion cumulative subscribers worldwide through networks that it wholly or partially owns. Discovery distributes customized content in the U.S. and over 200 other countries and territories in over 40 languages. Discovery's global portfolio of networks includes prominent television brands such as Discovery Channel, one of the first nonfiction networks and Discovery's most widely distributed global brand, TLC and Animal Planet. Discovery also has a diversified portfolio of websites and develops and sells curriculum-based education products and services.

Discovery's objectives are to invest in content for its networks to build viewership, optimize distribution revenue, capture advertising sales, and create or reposition additional branded channels and businesses that can sustain long-term growth and occupy a desired content niche with strong consumer appeal. Discovery's strategy is to maximize the distribution, ratings and profit potential of each of Discovery's branded networks. In addition to growing distribution and advertising revenue for its branded networks, Discovery is extending content distribution across new platforms, including brand-aligned websites, on-line streaming, mobile devices, video on demand and broadband channels, which provide promotional platforms for Discovery's television content and serve as additional outlets for advertising and distribution revenue. Audience ratings are a key driver in generating advertising revenue and creating demand on the part of cable television operators, direct-to-home satellite operators, and other content distributors who deliver Discovery's content to their customers.

Discovery's content spans genres including science, exploration, survival, natural history, technology, docu-series, anthropology, paleontology, history, space, archeology, health and wellness, engineering, adventure, lifestyles, forensics, civilizations, current events and kids. Discovery has an extensive library of content and owns all or most rights to the majority of its content and footage, which enables Discovery to exploit its library to launch brands and services into new markets quickly. Discovery's content can be re-edited and updated in a cost-effective manner to provide topical versions of subject matter that can be utilized around the world. Substantially all of Discovery's content is produced in high definition format.

#### ***Company history***

Discovery became a public company on September 17, 2008 in connection with Discovery Holding Company ( "DHC" ) and Advance/Newhouse Programming Partnership ( "Advance/Newhouse" ) combining their respective ownership interests in DCH and exchanging those interests for interests in Discovery (the "Discovery Formation" ). As a result of the Discovery Formation, Discovery became the successor reporting entity to DHC under the Exchange Act.

Discovery has three series of common stock, Series A, Series B and Series C, which trade on The NASDAQ Global Select Market under the symbols DISCA, DISCB and DISCK, respectively.

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*Discovery Communications, LLC*

DCL is an indirect, wholly-owned subsidiary of Discovery. Substantially all of the operations of Discovery are conducted through DCL. DCL was converted into a Delaware limited liability company on May 14, 2007.

DCL and Discovery's principal executive offices are located at One Discovery Place, Silver Spring, Maryland 20910, and the telephone number is (240) 662-2000.

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## **Organizational structure**

The following diagram illustrates, at a summary level, the ownership interests among Discovery, DCH, DCL and Advance/Newhouse subsequent to the Discovery Formation, as well as the material debt obligations of DCL and DCH as of December 31, 2012. As of December 31, 2012, Discovery's only outstanding indebtedness consisted of its guarantees of \$5.2 billion aggregate principal amount of DCL's senior notes. The diagram is in general terms and does not include intermediate subsidiaries.

- \* Advance/Newhouse and its affiliates have a 32.12% beneficial ownership interest in Discovery, after giving effect to the previously announced repurchase by Discovery from an affiliate of Advance/Newhouse of 4,000,000 shares of Discovery's Series C convertible preferred stock. Advance/Newhouse and its affiliates own all of the outstanding shares of Discovery's preferred stock, which votes with Discovery's common stock on an as-converted basis, except for the election of common stock directors.

## **Risk factors**

An investment in the senior notes involves risk. Before investing in the senior notes, you should carefully consider the risks described in "Risk factors" in this prospectus supplement, as well as other information included or incorporated by reference into this prospectus supplement and the accompanying prospectus, including the risk factors set forth in Item 1A, "Risk Factors" in the 2012 Annual Report, before making an investment decision.

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## The offering

The following is a brief summary of certain terms of this offering. For a more complete description of the terms of the senior notes, see Description of senior notes in this prospectus supplement and Description of debt securities in the accompanying prospectus.

<b>Issuer</b>	Discovery Communications, LLC
<b>Guarantor</b>	Discovery Communications, Inc.
<b>Securities offered</b>	\$350,000,000 in aggregate principal amount of 3.250% Senior Notes due 2023 and \$850,000,000 in aggregate principal amount of 4.875% Senior Notes due 2043.
<b>Stated maturity date</b>	The 2023 notes will mature on April 1, 2023. The 2043 notes will mature on April 1, 2043.
<b>Interest rate</b>	The 2023 notes will bear interest at the rate of 3.250% per annum, accruing from March 19, 2013. The 2043 notes will bear interest at the rate of 4.875% per annum, accruing from March 19, 2013.
<b>Interest payment dates</b>	Interest on the 2023 notes will be paid on April 1 and October 1 of each year to the holders of record on March 15 and September 15, respectively. The first interest payment on the 2023 notes will be made on October 1, 2013 to holders of record on September 15, 2013. Interest on the 2043 notes will be paid on April 1 and October 1 of each year to the holders of record on March 15 and September 15, respectively. The first interest payment on the 2043 notes will be made on October 1, 2013 to holders of record on September 15, 2013.
<b>Ranking of the senior notes</b>	<p>The senior notes will be DCL's unsecured senior obligations and will rank equally in right of payment with DCL's existing and future unsecured and unsubordinated indebtedness. The senior notes will be effectively subordinated to DCL's secured indebtedness to the extent of the value of the assets securing that debt and effectively subordinated to any indebtedness and other liabilities of DCL's subsidiaries. The senior notes will be senior in right of payment to all future subordinated indebtedness of DCL.</p> <p>As of December 31, 2012, on a pro forma basis after giving effect to the offering of the senior notes and the application of the estimated proceeds therefrom:</p> <ul style="list-style-type: none"> <li>• DCL would have had approximately \$6.5 billion in aggregate principal amount of indebtedness outstanding that would have ranked equally in right of payment with the senior notes;</li> <li>• DCL would have had no secured indebtedness outstanding; and</li> </ul>



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DCL's subsidiaries would have had approximately \$90 million in aggregate principal amount of indebtedness outstanding. The senior notes would have been effectively subordinated to the indebtedness of DCL's subsidiaries.

**Guarantee**

All payments on the senior notes, including principal and interest (and premium, if any), will be fully and unconditionally guaranteed on an unsecured and unsubordinated basis by the Guarantor.

The guarantee of the senior notes will rank equally in right of payment with all other existing and future unsecured and unsubordinated indebtedness of the Guarantor. The guarantee will be effectively subordinated to the Guarantor's secured indebtedness to the extent of the value of the assets securing that debt and effectively subordinated to any indebtedness and other liabilities of the Guarantor's subsidiaries.

As of December 31, 2012, on a pro forma basis after giving effect to the offering of the senior notes and the application of the estimated proceeds therefrom:

the Guarantor's only outstanding indebtedness consisted of its guarantee of the senior notes offered by this prospectus and its guarantees of \$5.2 billion aggregate principal amount of DCL's other senior notes; and

the Guarantor's subsidiaries would have had approximately \$6.5 billion in aggregate principal amount of indebtedness outstanding, all of which would have been effectively senior to the guarantee of the senior notes.

**Optional redemption**

DCL may redeem the senior notes in whole or in part at any time prior to their maturity at the redemption prices described under "Description of senior notes—Optional redemption," plus any accrued and unpaid interest.

**Change of control offer to repurchase**

If a Change of Control Triggering Event (as defined herein) occurs, DCL must offer to repurchase the senior notes at a redemption price equal to 101% of the principal amount, plus accrued and unpaid interest, as described under "Description of senior notes—Change of control offer to repurchase."

**Sinking fund**

None.

**Covenants**

DCL will issue the 2023 notes and the 2043 notes as separate series of debt securities under the senior indenture, dated as of August 19, 2009, between DCL, the Guarantor and U.S. Bank National Association, as trustee. The senior indenture will be supplemented by a supplemental indenture to be entered into concurrently with the delivery of the senior notes (collectively, the "indenture"). The indenture restricts, among other things, DCL's ability to:

incur certain liens securing debt;



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enter into sale and leaseback transactions; and

sell all or substantially all of its assets or merge or consolidate with or into other companies.

**Trading**

The senior notes are new issues of securities with no established trading market. DCL does not intend to apply for listing of the senior notes on any securities exchange. The underwriters have advised DCL that they intend to make a market in the senior notes, but they are not obligated to do so and may discontinue their market-making activities at any time without notice. See [Underwriting](#) for more information about possible market-making activities by the underwriters.

**Form and denomination**

The senior notes will be issued in the form of one or more fully-registered global securities, without coupons, in denominations of \$2,000 in principal amount and integral multiples of \$1,000 in excess thereof. These global securities will be deposited with the trustee as custodian for, and registered in the name of, a nominee of The Depository Trust Company ( [DTC](#) ). Except in the limited circumstances described under [Description of senior notes Book-entry; delivery and form](#), senior notes will not be issued in certificated form or exchanged for interests in global securities.

**Use of proceeds**

DCL intends to use the net proceeds of this offering for general corporate purposes, including the acquisition of companies or businesses, repayment and refinancing of debt, working capital, capital expenditures and the repurchase by Discovery of its capital stock. See [Use of proceeds](#).

**Ratio of earnings to fixed charges**

See [Ratio of earnings to fixed charges](#).

**Trustee**

U.S. Bank National Association.

**Material U.S. federal tax considerations**

You should consult your tax advisors concerning the U.S. federal income tax consequences of owning the senior notes in light of your own specific situation, as well as consequences arising under the laws of any other taxing jurisdiction. See [Material U.S. federal tax considerations](#).

**Governing law**

The indenture and the senior notes will be governed by the laws of the State of New York.

**Further issues**

DCL may from time to time, without notice to or consent of the registered holders of the senior notes, create and issue additional senior notes, which may include senior notes of the same series, ranking equally and ratably with the senior notes of either series offered hereby in all respects.

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## **Risk factors**

*An investment in the senior notes involves risks. You should carefully consider the following risks, as well as the other information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus. In particular, you should carefully consider the risks and uncertainties included in Item 1A, Risk Factors, of the 2012 Annual Report and under the captions Forward-looking statements. If any of the following risks actually occurs, DCL's and Discovery's businesses, and your investment in the senior notes, could be negatively affected. These risks and uncertainties are not the only ones they face. Additional risks and uncertainties not presently known to DCL or Discovery, or that they currently deem immaterial, may also materially and adversely affect their business operations, results of operations, financial condition or prospects. If any of these risks materialized, our ability to pay interest on the senior notes when due or to repay the senior notes at maturity could be adversely affected, and the trading price of the senior notes could decline substantially.*

***The senior notes will be unsecured and, therefore, will be effectively subordinated to any secured debt of DCL. In addition, the senior notes will be guaranteed on an unsecured basis by Discovery, and therefore, the guarantee will be effectively subordinated to any secured debt of Discovery.***

The senior notes will not be secured by any of DCL's assets, and Discovery's guarantee of the senior notes will not be secured by any of Discovery's assets. As a result, the senior notes and the guarantee are effectively subordinated to any secured debt of DCL and Discovery, respectively, in each case to the extent of the value of the assets securing such debt. In any liquidation, dissolution, bankruptcy or other similar proceeding involving DCL, the holders of any secured debt of DCL may assert rights against DCL's secured assets in order to receive full payment of their debt before the assets may be used to pay the holders of the senior notes. Similarly, in any liquidation, dissolution, bankruptcy or other similar proceeding involving Discovery, the holders of any secured debt of Discovery may assert their rights against Discovery's secured assets in order to receive full payment of their debt before Discovery's assets may be used to make payments to the holders of the senior notes under the guarantee. The terms of the indenture limit DCL's ability to create, incur, assume or permit to exist any liens to secure any debt of DCL. However, these limitations are subject to numerous exceptions. See Description of senior notes Certain covenants. In addition, the terms of the indenture do not limit Discovery's ability to create, incur, assume or permit to exist any liens to secure any debt. As of December 31, 2012, on a pro forma basis after giving effect to the offering of the senior notes and the application of the estimated proceeds therefrom, neither DCL nor Discovery had any secured debt outstanding. See Description of senior notes Ranking.

***DCL conducts a substantial amount of its operations, and Discovery conducts all of its operations, through subsidiaries. DCL and Discovery may be limited in their ability to access funds from their subsidiaries to service their debt, including the senior notes. In addition, the senior notes will not be guaranteed by the subsidiaries of DCL or Discovery.***

DCL conducts a substantial amount of its operations, and Discovery conducts all of its operations, through subsidiaries. Accordingly, they depend on their subsidiaries' earnings and advances or loans made by the subsidiaries to them (and potentially dividends or distributions by the subsidiaries to them) to provide funds necessary to meet their obligations, including the payments of principal, premium, if any, and interest on the senior notes. If DCL and Discovery are unable to access the cash flows of their subsidiaries, they would be unable to meet their debt obligations.

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The subsidiaries of DCL and Discovery are separate and distinct legal entities and have no obligation, contingent or otherwise, to pay any amounts due on the senior notes or to make funds available to them to do so. In addition, the ability of the subsidiaries of DCL and Discovery to pay dividends or otherwise transfer assets to them is subject to various restrictions under applicable law and limitations under contractual obligations. In the event of a bankruptcy, liquidation or reorganization of any of DCL's or Discovery's subsidiaries, holders of their indebtedness and their trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to DCL or Discovery. In addition, the indenture allows DCL and Discovery to create new subsidiaries and invest in their subsidiaries, all of whose assets you will not have any claim against.

*The senior notes will be effectively subordinated to the existing and future liabilities of DCL's subsidiaries, and the guarantee will be effectively subordinated to the existing and future liabilities of Discovery's subsidiaries.*

DCL's and Discovery's equity interests in their respective subsidiaries are subordinated to any debt and other liabilities and commitments of their respective subsidiaries to the extent of the value of the assets of such subsidiaries, whether or not secured. As a result, DCL and Discovery may not have direct access to the assets of their respective subsidiaries unless those assets are transferred by dividend or otherwise to them. DCL's right to receive assets of any of its subsidiaries upon their bankruptcy, liquidation or reorganization, and therefore the right of the holders of the senior notes to participate in those assets, will be effectively subordinated to the claims of creditors of DCL's subsidiaries. Similarly, Discovery's right to receive assets of any of its subsidiaries upon their bankruptcy, liquidation or reorganization will be effectively subordinated to the claims of creditors of Discovery's subsidiaries. As a result, Discovery's obligations under the guarantee may only be satisfied with the remaining assets of its subsidiaries after creditors' claims against such subsidiaries' assets have been satisfied. In addition, even if DCL or Discovery were creditors of any of their respective subsidiaries, their rights as creditors would be subordinated to any security interest in the assets of their respective subsidiaries, and any debt of their respective subsidiaries secured by those assets would be senior to that held by them. As of December 31, 2012, on a pro forma basis after giving effect to the offering of the senior notes and the application of the estimated proceeds therefrom, DCL's subsidiaries would have had approximately \$90 million of indebtedness outstanding, and Discovery's subsidiaries would have had approximately \$6.5 billion of indebtedness outstanding. See Description of senior notes Ranking.

*An active trading market for the senior notes may not develop.*

The senior notes are new issues of securities with no established trading market, and DCL does not intend to list them on any securities exchange. DCL has been informed by the underwriters that they intend to make a market in the senior notes after the offering is completed. However, the underwriters are not obligated to do so and may discontinue their market-making activities at any time without notice. In addition, the liquidity of the trading market in the senior notes, and the market price quoted for the senior notes, may be adversely affected by changes in the overall market for fixed income securities and by changes in DCL's financial performance or prospects or in the prospects for companies in its industry generally. In addition, such market-making activity will be subject to limits imposed by the Securities Act of 1933, as amended (the Securities Act), and the Exchange Act. As a result, there can be no assurance that an active trading market will develop for the senior notes. If no active trading market develops, you may not be able to resell your senior notes at their fair market value or at all.

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*Changes in our credit ratings or the debt markets could adversely affect the trading price of the senior notes.*

The trading price for the senior notes will depend on many factors, including:

- our credit ratings with major credit rating agencies;
- the prevailing interest rates being paid by other companies similar to us;
- our financial condition, financial performance and future prospects; and
- the overall condition of the financial markets.

The condition of the financial markets and prevailing interest rates have fluctuated significantly in the past and are likely to fluctuate in the future. Such fluctuations could have an adverse effect on the trading price of the senior notes.

In addition, credit rating agencies continually review their ratings for the companies that they follow, including us. A negative change in our rating could have an adverse effect on the trading price of the senior notes.

*The senior notes do not restrict our ability to incur additional debt, repurchase our securities or to take other actions that could negatively impact our ability to pay our obligations under the senior notes.*

We are not restricted under the terms of the senior notes from incurring additional debt or repurchasing our securities. In addition, the limited covenants applicable to the senior notes do not require us to achieve or maintain any minimum financial results relating to our financial position or results of operations. Our ability to recapitalize, incur additional debt and take a number of other actions that are not limited by the terms of the senior notes could have the effect of diminishing our ability to make payments on the senior notes when due.

*We may not be able to repurchase all of the senior notes upon a change of control, which would result in a default under the senior notes.*

Upon the occurrence of a Change of Control Triggering Event (as defined herein), unless we have exercised our right to redeem the senior notes, each holder of senior notes will have the right to require us to repurchase all or any part of such holder's senior notes at a price equal to 101% of their principal amount, plus accrued and unpaid interest, if any, to the date of repurchase. If we experience a Change of Control Triggering Event, there can be no assurance that we would have sufficient financial resources available to satisfy our obligations to repurchase the senior notes. In addition, our ability to repurchase the senior notes for cash may be limited by law, or by the terms of other agreements relating to our indebtedness outstanding at that time. Our failure to repurchase the senior notes as required under the indenture governing the senior notes would result in a default under the indenture, which could have material adverse consequences for us and for holders of the senior notes. See Description of senior notes Change of control offer to repurchase.

**Table of Contents****Ratio of earnings to fixed charges**

The following table sets forth Discovery's ratio of earnings to fixed charges for the periods indicated.

	<b>For the year ended December 31,</b>				
	<b>2012</b>	<b>2011</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
Ratio of earnings to fixed charges(1)(2)	6.9x	7.9x	5.4x	4.9x	3.7x

- (1) For purposes of calculating the ratios above, earnings consist of net income from continuing operations plus provision for income taxes, loss of equity investees, distributions of income from equity investees and fixed charges. Fixed charges include interest expense and the interest portion of rent expense which is deemed to be representative of the interest factor.
- (2) On September 17, 2012, Discovery sold its postproduction audio business, whose results of operations have been reclassified to discontinued operations for all periods presented.

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## **Use of proceeds**

DCL expects the net proceeds from this offering of senior notes to be approximately \$1.19 billion after deducting the estimated underwriting discount and its estimated expenses related to the offering. DCL intends to use the net proceeds of this offering for general corporate purposes, including the acquisition of companies or businesses, repayment and refinancing of debt, working capital, capital expenditures and the repurchase by Discovery of its capital stock.

Pending application, DCL may temporarily invest the net proceeds in short term investments.

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Table of Contents**Capitalization**

The following table sets forth Discovery's capitalization as of December 31, 2012 on a historical basis and as adjusted to give effect to the sale of the senior notes offered hereby and the application of the estimated proceeds from the sale of the senior notes as described in Use of proceeds, after deducting the underwriting discount, but before deducting the amount of estimated offering expenses. You should read this table in conjunction with the information contained in Discovery's Management's Discussion and Analysis of Financial Condition and Results of Operations and Discovery's consolidated financial statements and related notes in Discovery's filings incorporated by reference into this prospectus.

(Amounts in millions, except par values)	As of December 31, 2012	
	Actual	As adjusted
Cash and cash equivalents	\$ 1,201	\$ 2,390 <sup>(1)</sup>
Debt:		
3.700% Senior Notes due 2015	850	850
5.625% Senior Notes due 2019	500	500
5.050% Senior Notes due 2020	1,300	1,300
4.375% Senior Notes due 2021	650	650
3.300% Senior Notes due 2022	500	500
6.350% Senior Notes due 2040	850	850
4.950% Senior Notes due 2042	500	500
3.250% Senior Notes due 2023 offered hereby		350 <sup>(2)</sup>
4.875% Senior Notes due 2043 offered hereby		850 <sup>(2)</sup>
Capital lease obligations	110	110
Unamortized discount	(17)	(19) <sup>(3)</sup>
Long-term debt, net	5,243	6,441
Equity:		
Series A convertible preferred stock, \$0.01 par value; 75 shares authorized; 71 shares issued	1	1
Series C convertible preferred stock, \$0.01 par value; 75 shares authorized; 49 shares issued	1	1
Series A common stock, \$0.01 par value; 1,700 shares authorized; 147 shares issued	1	1
Series B convertible common stock, \$0.01 par value; 100 shares authorized; 7 shares issued		
Series C common stock, \$0.01 par value; 2,000 shares authorized; 150 shares issued	2	2
Additional paid-in capital	6,689	6,689
Treasury stock, at cost	(2,482)	(2,482)
Retained earnings	2,075	2,075
Accumulated other comprehensive income	4	4
Total Discovery Communications, Inc. stockholders' equity	6,291	6,291
Noncontrolling interests	2	2
Total equity	6,293	6,293
Total capitalization	\$ 11,536	\$ 12,734

(1) As adjusted cash and cash equivalents reflects actual cash and cash equivalents as of December 31, 2012, plus the amount of proceeds (net of underwriting discount) received from this offering, but before the payment of estimated offering expenses of \$1 million.

(2) Reflects the issuance of the senior notes offered in this prospectus.

(3) As adjusted unamortized discount reflects \$2 million of discounts related to the sale of the senior notes offered in this prospectus.

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## **Description of senior notes**

We will issue the 2023 notes and the 2043 notes as separate series of debt securities under the senior indenture, dated as of August 19, 2009, among us, the Guarantor and U.S. Bank National Association, as trustee. The senior indenture will be supplemented by a supplemental indenture to be entered into concurrently with the delivery of the senior notes (collectively, the indenture). Because this is a summary, it does not contain all the information that may be important to you. The following description of specific terms of the senior notes is qualified in its entirety by reference to the provisions of the indenture, including the definitions of certain terms contained therein and those terms made part of the indenture by reference to the Trust Indenture Act of 1939, as amended (the Trust Indenture Act). Capitalized and other terms not otherwise defined in this prospectus supplement have the meanings given to them in the indenture. As used in this Description of senior notes, we, our, us, and DCL refer to Discovery Communications, LLC, and the Guarantor refers to Discovery Communications, Inc. Such terms do not, unless the context otherwise indicates, include the subsidiaries of such entities. The indenture is an exhibit to the registration statement of which the prospectus attached to this prospectus supplement is part. The terms of the senior notes include those stated in the indenture and those which are made a part of the indenture by the Trust Indenture Act. A copy of the indenture is available for inspection at the office of the trustee.

The 2023 notes will be issued in an initial aggregate principal amount of \$350,000,000 and the 2043 notes will be issued in an initial aggregate principal amount of \$850,000,000. The senior notes will be issued only in registered form, without coupons, in denominations of \$2,000 and integral multiples of \$1,000 in excess thereof.

### **General**

The specific terms of the 2023 notes and the 2043 notes are set forth below:

- Title: 3.250% Senior Notes due 2023 and 4.875% Senior Notes due 2043.
- Initial principal amount being issued: \$350,000,000 in aggregate principal amount of 3.250% Senior Notes due 2023 and \$850,000,000 in aggregate principal amount of 4.875% Senior Notes due 2043.
- Stated maturity date: The 2023 notes will mature on April 1, 2023. The 2043 notes will mature on April 1, 2043.
- Interest rate: The 2023 notes will bear interest at the rate of 3.250% per annum. The 2043 notes will bear interest at the rate of 4.875% per annum.
- Date interest starts accruing: Interest on the 2023 notes will start accruing on March 19, 2013. Interest on the 2043 notes will start accruing on March 19, 2013.
- Interest payment dates: Interest on the 2023 notes will be paid on April 1 and October 1 of each year. Interest on the 2043 notes will be paid on April 1 and October 1 of each year.
- First interest payment date: The first interest payment on the 2023 notes will be made on October 1, 2013. The first interest payment on the 2043 notes will be made on October 1, 2013.
- Regular record dates for interest: Regular record dates for interest on the 2023 notes will be March 15 and September 15 of each year. Regular record dates for interest on the 2043 notes will be March 15 and September 15 of each year.

Computation of interest: Interest on the senior notes will be computed on the basis of a 360-day year consisting of twelve 30-day months.

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Form of senior notes: The senior notes will be in the form of one or more global senior notes that we will deposit with or on behalf of DTC.

Sinking fund: The senior notes will not be subject to any sinking fund.

Ranking: The 2023 notes and the 2043 notes will constitute separate series of our unsecured and unsubordinated senior debt securities, ranking equally and ratably with each other and any other unsecured and unsubordinated debt of ours. See [Ranking](#) below.

Guarantee: Payment of the principal of (and premium, if any, on) and interest on the senior notes, and all other amounts due under the indenture, will be unconditionally guaranteed on an unsecured and unsubordinated basis by the Guarantor. See [Guarantee](#) below.

## **Ranking**

The senior notes will be unsecured senior obligations of DCL and, as such, will rank equally and ratably in right of payment with all other existing and future unsecured and unsubordinated indebtedness of DCL and senior in right of payment to all future subordinated indebtedness of DCL. Because the senior notes will not be secured, they will be effectively subordinated to any future secured indebtedness of DCL to the extent of the value of the collateral securing that indebtedness. The senior notes will also be effectively subordinated to any indebtedness and other liabilities of the subsidiaries of DCL.

As of December 31, 2012, DCL had approximately \$5.2 billion in aggregate principal amount of indebtedness outstanding that would have ranked equally and ratably in right of payment with the senior notes offered by this prospectus, and DCL had no secured indebtedness outstanding, and DCL's subsidiaries had approximately \$90 million in aggregate principal amount of indebtedness outstanding, which the senior notes offered by this prospectus would have been effectively subordinated to. See [Capitalization](#) and [Use of proceeds](#) in this prospectus supplement.

## **Guarantee**

Payment of the principal of (and premium, if any, on) and interest on the 2023 notes, the 2043 notes, and all other amounts due under the indenture, will be fully and unconditionally guaranteed on an unsecured and unsubordinated basis by the Guarantor. The guarantee of each series of senior notes will rank equally and ratably in right of payment with all other existing and future unsecured and unsubordinated indebtedness of the Guarantor, and senior in right of payment to all future subordinated indebtedness of the Guarantor. Because the guarantee of each series of senior notes will not be secured, it will be effectively subordinated to any existing and future secured indebtedness of the Guarantor to the extent of the value of the collateral securing that indebtedness. The guarantee will also be effectively subordinated to any indebtedness and other liabilities of the subsidiaries of the Guarantor.

As of December 31, 2012, on a pro forma basis after giving effect to the offering of the senior notes and the application of the estimated proceeds therefrom, the Guarantor's outstanding indebtedness consisted only of its guarantee of the senior notes offered by this prospectus and its guarantee of \$5.2 billion aggregate principal amount of DCL's other senior notes. The Guarantor's subsidiaries would have had approximately \$6.5 billion in aggregate principal amount of indebtedness outstanding, all of which would have been effectively senior to the guarantee of the senior notes. See [Capitalization](#) and [Use of proceeds](#) in this prospectus supplement.

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### **Further issues**

We may from time to time, without notice to or the consent of the registered holders of the senior notes, create and issue additional senior notes ranking equally and ratably with the senior notes of either series offered hereby in all respects (or in all respects except for the payment of interest accruing prior to the issue date of such additional senior notes or except for the first payment of interest following the issue date of such additional senior notes), so that such additional senior notes will be consolidated and form a single series with such series offered hereby and will have the same terms as to status, redemption or otherwise as such series offered hereby, provided that if such additional senior notes are not fungible with the original notes of such series for U.S. federal income tax purposes, such additional senior notes will have a separate CUSIP number.

### **Optional redemption**

The 2023 notes and the 2043 notes will be redeemable, in each case, in whole or in part, at the option of DCL at any time and from time to time at a redemption price equal to the greater of (i) 100% of the principal amount of the senior notes to be redeemed, and (ii) as determined by the Quotation Agent (as defined below), the sum of the present values of the remaining scheduled payments of principal and interest on the senior notes to be redeemed (not including any portion of such payments of interest accrued as of the date of redemption) discounted to the date of redemption on a semi-annual basis (assuming a 360-day year consisting of twelve 30-day months) at the Adjusted Treasury Rate (as defined below) plus 20 basis points in the case of the 2023 notes and 25 basis points in the case of the 2043 notes, plus, in each case, accrued interest on the principal amount being redeemed to the date of redemption.

**Adjusted Treasury Rate** means, with respect to any redemption date, the rate per annum equal to the semi-annual equivalent yield to maturity of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for such redemption date.

**Comparable Treasury Issue** means the United States Treasury security selected by the Quotation Agent as having a maturity comparable to the remaining term of the senior notes to be redeemed that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of such senior notes.

**Comparable Treasury Price** means, with respect to any redemption date, (i) the average of the Reference Treasury Dealer Quotations for such redemption date, after excluding the highest and lowest such Reference Treasury Dealer Quotations, or (ii) if the trustee obtains fewer than four such Reference Treasury Dealer Quotations, the average of all such quotations.

**Quotation Agent** means the Reference Treasury Dealer appointed by DCL.

**Reference Treasury Dealer** means (i) each of J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse Securities (USA) LLC and their respective successors; provided, however, that if any of the foregoing ceases to be a primary U.S. Government securities dealer in New York City (a **Primary Treasury Dealer**), DCL will substitute therefor another Primary Treasury Dealer; and (ii) any other Primary Treasury Dealers selected by DCL.

**Reference Treasury Dealer Quotations** means, with respect to each Reference Treasury Dealer and any redemption date, the average, as determined by the trustee, of the bid and asked prices for the

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Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the trustee by such Reference Treasury Dealer at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

Notice of any redemption will be mailed at least 30 days but not more than 60 days before the redemption date to each holder of the senior notes to be redeemed. Unless DCL defaults in payment of the redemption price, on and after the redemption date, interest will cease to accrue on the senior notes or portions thereof called for redemption.

## **Change of control offer to repurchase**

If a Change of Control Triggering Event occurs, unless we have exercised our right to redeem the 2023 notes and the 2043 notes in full, as described under **Optional redemption**, holders of senior notes will have the right to require us to repurchase all or a portion of such holder's 2023 notes and 2043 notes pursuant to the offer described below (the **Change of Control Offer**), at a purchase price equal to 101% of the principal amount thereof plus accrued and unpaid interest, if any, to the date of repurchase, subject to the rights of holders of senior notes on the relevant record date to receive interest due on the relevant interest payment date.

Within 30 days following the date upon which the Change of Control Triggering Event occurred, or at our option, prior to any Change of Control but after the public announcement of the pending Change of Control, we will be required to send, by first class mail, a notice to holders of senior notes, with a copy to the trustee, which notice will govern the terms of the Change of Control Offer. Such notice will state, among other things, the repurchase date, which must be no earlier than 30 days nor later than 60 days from the date such notice is mailed, other than as may be required by law (the **Change of Control Payment Date**). The notice, if mailed prior to the date of consummation of the Change of Control, may state that the Change of Control Offer is conditioned on the Change of Control being consummated on or prior to the Change of Control Payment Date. Holders of senior notes electing to have senior notes repurchased pursuant to a Change of Control Offer will be required to surrender their senior notes, with the form entitled **Option of Holder to Elect Purchase** on the reverse of the senior note completed, to the paying agent at the address specified in the notice, or transfer their senior notes to the paying agent by book-entry transfer pursuant to the applicable procedures of the paying agent, prior to the close of business on the third business day prior to the Change of Control Payment Date.

We will not be required to make a Change of Control Offer if a third party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by us and such third party purchases all senior notes properly tendered and not withdrawn under its offer.

We will comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the senior notes as a result of a Change of Control Triggering Event. To the extent that the provisions of any such securities laws or regulations conflict with the Change of Control Offer provisions of the senior notes, we will comply with those securities laws and regulations and will not be deemed to have breached our obligations under the Change of Control Offer provisions of the senior notes by virtue of any such conflict.

The definition of **Change of Control** includes a phrase relating to the direct or indirect sale, lease, transfer, conveyance or other disposition of all or substantially all of the assets of the Guarantor and its subsidiaries, or DCL and its subsidiaries, taken as a whole. Although there is a limited body of case law interpreting the phrase **substantially all**, there is no precise, established definition of the phrase under applicable law. Accordingly, the ability of a holder of senior notes to require us to repurchase the senior notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the

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assets of the Guarantor and its subsidiaries, or DCL and its subsidiaries, taken as a whole, to another person (as that term is used in Section 13(d)(3) of the Exchange Act) may be uncertain.

For purposes of the Change of Control Offer discussion above, the following definitions are applicable:

*Below Investment Grade Rating Event* with respect to the senior notes means that such senior notes become rated below Investment Grade by each Rating Agency on any date from the date of the public notice by the Guarantor or DCL of an arrangement that results in a Change of Control until the end of the 60-day period following public notice by the Guarantor or DCL of the occurrence of a Change of Control (which period will be extended so long as the rating of such senior notes is under publicly announced consideration for possible downgrade by any of the Rating Agencies); provided, however, that a Below Investment Grade Rating Event otherwise arising by virtue of a particular reduction in rating will not be deemed to have occurred in respect of a particular Change of Control (and thus will not be deemed a Below Investment Grade Rating Event for purposes of the definition of Change of Control Triggering Event), if the Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the trustee in writing at its request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control has occurred at the time of the Below Investment Grade Rating Event).

*Change of Control* means the occurrence of any one of the following:

- (1) the direct or indirect sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions, of all or substantially all of the assets of the Guarantor and its subsidiaries, or DCL and its subsidiaries, taken as a whole, to any person (as that term is used in Section 13(d)(3) of the Exchange Act) other than to the Guarantor or one of its subsidiaries;
- (2) the consummation of any transaction (including without limitation, any merger or consolidation) the result of which is that any person (as that term is used in Section 13(d)(3) of the Exchange Act) other than any Significant Shareholder or any combination of Significant Shareholders becomes the beneficial owner (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, of more than 50% of the outstanding Voting Stock of the Guarantor or DCL, measured by voting power rather than number of shares;
- (3) the consummation of a so-called going private/Rule 13e-3 Transaction that results in any of the effects described in paragraph (a)(3)(ii) of Rule 13e-3 under the Exchange Act (or any successor provision) with respect to each class of the Guarantor's common stock, following which any Significant Shareholder or any combination of Significant Shareholders beneficially own (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, more than 50% of the outstanding Voting Stock of the Guarantor or DCL, measured by voting power rather than number of shares;
- (4) the first day on which the majority of the members of the board of directors of the Guarantor cease to be Continuing Directors; or
- (5) the adoption of a plan relating to the liquidation, dissolution or winding up of the Guarantor.

*Change of Control Triggering Event* means the occurrence of both a Change of Control and a Below Investment Grade Rating Event. Notwithstanding the foregoing, no Change of Control Triggering Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

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*Continuing Director* means, as of any date of determination, any member of the board of directors (or equivalent body) of the Guarantor who:

(1) was a member of such board of directors on the date of the issuance of the senior notes; or

(2) was nominated for election, elected or appointed to such board of directors with the approval of a majority of the Continuing Directors who were members of such board of directors at the time of such nomination, election or appointment (either by a specific vote or by approval of our proxy statement in which such member was named as a nominee for election as a director, without objection to such nomination).

*DCL* means Discovery Communications, LLC and any successor thereto permitted under the indenture.

*Fitch* means Fitch Ratings Ltd., and its successors.

*Guarantor* means Discovery Communications, Inc. and any successor thereto permitted under the indenture.

*Investment Grade* means a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P), a rating of Baa3 or better by Moody's (or its equivalent under any successor rating category of Moody's) and a rating of BBB- or better by Fitch (or its equivalent under any successor rating category of Fitch).

*Moody's* means Moody's Investors Service, Inc., and its successors.

*Rating Agency* means (1) each of S&P, Moody's and Fitch; and (2) if any of S&P, Moody's or Fitch ceases to rate the senior notes or fails to make a rating of the senior notes publicly available for reasons outside of DCL's control, a nationally recognized statistical rating organization as defined in Section 3(a)(62) of the Exchange Act, selected by us (as certified by a resolution of the board of directors of the Guarantor and reasonably acceptable to the trustee) as a replacement agency for S&P, Moody's or Fitch, or all of them, as the case may be.

*S&P* means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., and its successors.

*Significant Shareholder* means each of (a) Advance/Newhouse Programming Partnership, (b) the Guarantor or any of its subsidiaries and (c) any other person (as that term is used in Section 13(d)(3) of the Exchange Act) if 50% or more of the Voting Stock of such person is beneficially owned (as defined in Rules 13d-3 and 13d-5 under the Exchange Act), directly or indirectly, by Advance/Newhouse Programming Partnership or the Guarantor or one of its subsidiaries or any combination thereof.

*Voting Stock* of any specified person as of any date means any and all shares or equity interests (however designated) of such person that are at the time entitled to vote generally in the election of the board of directors, managers or trustees of such person, as applicable.

## **Certain covenants**

The indenture does not contain any provisions that would limit our ability to incur indebtedness or that would afford holders of senior notes protection in the event of a sudden and significant decline in the

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credit quality of the Guarantor or DCL or a takeover, recapitalization or highly leveraged or similar transaction involving the Guarantor or DCL.

***Limitation on liens***

DCL will not, and will not permit any subsidiary to, create, incur, assume or permit to exist any lien on any property or asset, to secure any debt of DCL, any subsidiary or any other person, or permit any subsidiary to do so, without securing the senior notes equally and ratably with such debt for so long as such debt will be so secured, subject to certain exceptions. The exceptions include:

- liens existing on the date of this prospectus supplement;
- liens on assets or property of a person at the time it becomes a subsidiary securing only indebtedness of such person or liens existing on assets or property at the time of the acquisition of such assets, provided such indebtedness was not incurred or such liens were not created in connection with such person becoming a subsidiary or such assets being acquired;
- liens on assets created at the time of or within 12 months after the acquisition, purchase, lease, improvement or development of such assets to secure all or a portion of the purchase price or lease for, or the costs of improvement or development of, such assets;
- liens to secure any extension, renewal, refinancing or refunding (or successive extensions, renewals, refinancings or refundings), in whole or in part, of any indebtedness secured by liens referred to above or liens created in connection with any amendment, consent or waiver relating to such indebtedness, so long as such lien does not extend to any other property and the amount of debt secured is not increased (other than by the amount equal to any costs and expenses incurred in connection with any extension, renewal, refinancing or refunding);
- liens on property incurred in permitted sale and leaseback transactions;
- liens in favor of only the Guarantor, DCL or one or more subsidiaries granted by DCL or a subsidiary to secure any obligations owed to the Guarantor, DCL or a subsidiary of the Guarantor;
- carriers, warehousemen, mechanics, materialmen, repairmen, laborers, landlords and similar liens arising in the ordinary course of business securing obligations that are not overdue for a period of more than 90 days or that are being contested in good faith by appropriate proceedings;
- pledges or deposits in the ordinary course of business in connection with workers' compensation, unemployment insurance and other social security legislation, other than any lien imposed by the Employment Retirement Income Security Act of 1974, as amended from time to time;
- deposits to secure the performance of bids, trade contracts and leases, statutory obligations, surety bonds (other than bonds related to judgments or litigation), performance bonds and other obligations of a like nature incurred in the ordinary course of business;
- liens arising out of a judgment, decree or order of court being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Guarantor, DCL or the books of their subsidiaries, as the case may be, in conformity with GAAP;



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liens for taxes not yet due and payable, or being contested in good faith by appropriate proceedings, provided that adequate reserves with respect thereto are maintained on the books of the Guarantor, DCL or the books of their subsidiaries, as the case may be, in conformity with GAAP;

easements, rights of way, restrictions and similar liens affecting real property incurred in the ordinary course of business that do not secure any monetary obligations and do not materially detract from the value of the property subject thereto or materially interfere with the ordinary conduct of business of the Guarantor, DCL or of such subsidiary;

liens securing reimbursement obligations with respect to letters of credit related to trade payables and issued in the ordinary course of business, which liens encumber documents and other property relating to such letters of credit and the products and proceeds thereof;

liens encumbering customary initial deposits and margin deposits and other liens in the ordinary course of business, in each case securing indebtedness under any interest swap obligations and currency agreements and forward contract, option, futures contracts, futures options or similar agreements or arrangements designed to protect the Guarantor or any of its subsidiaries from fluctuations in interest rates or currencies;

liens in the nature of voting, equity transfer, redemptive rights or similar terms under any such agreement or other term customarily found in such agreements, in each case, encumbering DCL's or such subsidiary's equity interests or other investments in such subsidiary or other person;

liens created in favor of a producer or supplier of television programming or films over distribution revenues and/or distribution rights which are allocable to such producer or supplier under related distribution arrangements; or

liens otherwise prohibited by this covenant, securing indebtedness which, together with the value of attributable debt incurred in sale and leaseback transactions described under "Limitation on sale and leasebacks" below, do not at any time exceed 10% of the Guarantor's total consolidated assets.

***Limitation on sale and leasebacks***

DCL will not, and will not permit any subsidiary to, enter into any arrangement with any person pursuant to which DCL or any subsidiary leases any property that has been or is to be sold or transferred by DCL or the subsidiary to such person (a "sale and leaseback transaction"), except that a sale and leaseback transaction is permitted if DCL or such subsidiary would be entitled to secure the property to be leased (without equally and ratably securing the outstanding senior notes) in an amount equal to the present value of the lease payments with respect to the term of the lease remaining on the date as of which the amount is being determined, without regard to any renewal or extension in the lease, discounted at the rate of interest set forth or implicit in the terms of the lease, compounded semi-annually (such amount is referred to as the "attributable debt").

In addition, permitted sale and leaseback transactions not subject to the limitation above and the provisions described in "Limitation on liens" above include:

temporary leases for a term, including renewals at the option of the lessee, of not more than three years;

leases between only DCL and a subsidiary of DCL or only between subsidiaries of DCL; and

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leases of property executed by the time of, or within 12 months after the latest of, the acquisition, the completion of construction or improvement, or the commencement of commercial operation of the property.  
Notwithstanding the foregoing, a sale and leaseback transaction regarding the real property in Silver Spring, Maryland and DCL's headquarters building located on such property will not be subject to the limitations described above and the provisions described in Limitation on liens.

Consolidation, merger and sale of assets

Neither DCL nor the Guarantor may consolidate or merge with or into, or sell, lease, convey, transfer or otherwise dispose of its property and assets substantially as an entirety to another entity unless:

- (1) DCL or the Guarantor is the surviving entity, as applicable, or (2) the successor entity, if other than DCL or the Guarantor is a U.S. corporation, partnership, limited liability company or trust and assumes by supplemental indenture all of DCL's or the Guarantor's obligations, as applicable, under the senior notes or the guarantee, respectively, and the indenture;
  - immediately after giving effect to the transaction, no Event of Default (as defined below), and no event that, after notice or lapse of time or both, would become an Event of Default, has occurred and is continuing; and
  - if, as a result of any consolidation, merger, sale or lease, conveyance or transfer described in this covenant, properties or assets of DCL or the Guarantor or any of its subsidiaries would become subject to any lien that would not be permitted by the lien restriction described above without equally and ratably securing the senior notes, DCL or the Guarantor or such successor entity, as the case may be, will take the steps as are necessary to secure effectively the senior notes equally and ratably with, or prior to, all indebtedness secured by those liens as described above.
- In connection with any transaction that is covered by this covenant, we must deliver to the trustee an officers' certificate and an opinion of counsel each stating that the transaction complies with the terms of the indenture.

In the case of any such consolidation, merger, sale, transfer or other conveyance, but not a lease, in a transaction in which there is a successor entity to DCL or the Guarantor, the successor entity will succeed to, and be substituted for, DCL or the Guarantor, respectively, under the indenture and DCL or the Guarantor, respectively, will be released from its obligations under the senior notes or the guarantee, as applicable, and the indenture.

## **Events of default**

Any one of the following is an Event of Default :

- if DCL defaults in the payment of interest on the senior notes, and such default continues for 30 days;
- if DCL defaults in the payment of the principal or any premium on the senior notes when due by declaration, when called for redemption or otherwise;
- if either the Guarantor or DCL fails to perform or breaches any covenant or warranty in the senior notes or in the indenture and applicable to the senior notes or guarantee continuing for 90 days after notice to DCL by the trustee or by holders of at least 25% in principal amount of the outstanding senior notes;

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- if certain events of bankruptcy or insolvency occur with respect to DCL or the Guarantor (the bankruptcy provision );
  
  - the guarantee ceases to be in full force and effect (except as contemplated by the terms of the indenture) or is declared null and void in a judicial proceeding or the Guarantor denies or disaffirms its obligations under the indenture or the guarantee; and
  
  - default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any indebtedness for money borrowed by the Guarantor, DCL or any of their subsidiaries (or the payment of which is guaranteed by the Guarantor, DCL or any of their subsidiaries), whether such indebtedness or guarantee now exists, or is created after the date of this prospectus supplement, if that default:
    - is caused by a failure to pay principal on such indebtedness at its stated final maturity (after giving effect to any applicable grace periods provided in such indebtedness) (a Payment Default ); or
    - results in the acceleration of such indebtedness prior to its express maturity (an Acceleration Event ),and (i) in each case, the principal amount of any such indebtedness, together with the principal amount of any other such indebtedness under which there has been a Payment Default or an Acceleration Event, aggregates \$100 million or more and (ii) in the case of a Payment Default, such indebtedness is not discharged and, in the case of an Acceleration Event, such acceleration is not rescinded or annulled, within 10 days after written notice has been given by the trustee or the holders of at least 25% in principal amount of all of the outstanding senior notes.
- If an Event of Default (other than the bankruptcy provision) with respect to the senior notes occurs and is continuing, the trustee or the holders of at least 25% in principal amount of all of the outstanding senior notes may declare the principal of all the senior notes to be due and payable. When such declaration is made, such principal will be immediately due and payable. If a bankruptcy or insolvency event occurs, the principal of and accrued and unpaid interest on the senior notes will immediately become due and payable without any declaration or other act on the part of the trustee or the holders of the senior notes. The holders of a majority in principal amount of senior notes may rescind such declaration or acceleration and its consequences if the rescission would not conflict with any judgment or decree and if all existing events of default have been cured or waived (other than nonpayment of principal or interest that has become due solely as a result of acceleration).
- Holders of senior notes may not enforce the indenture or the senior notes, except as provided in the indenture. The trustee may require indemnity satisfactory to it before it enforces the indenture or the senior notes. Subject to certain limitations, the holders of more than 50% in principal amount of the outstanding senior notes may direct the time, method and place of conducting any proceeding for any remedy available to the trustee or exercising any trust or power of the trustee. The trustee may withhold from holders notice of any continuing default (except a default in the payment of principal or interest) if it determines that withholding notice is in their interests.

**Amendment and waiver**

In addition to the circumstances described under Description of Debt Securities Certain Terms of the Senior Debt Securities Modification and Waiver in the accompanying prospectus, without the

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consent of the holder of each senior note affected thereby, an amendment or modification of, or waiver of any provision contained in, the indenture may not:

· reduce the amount payable upon the repurchase of any senior note or change the time at which any senior note may be repurchased as described under **Change of control offer to repurchase**, whether through an amendment or waiver of provisions in the covenants, definitions or otherwise; or

· make any change to the guarantee in any manner adverse to the holders of senior notes.

## **Defeasance and covenant defeasance**

The provisions described under **Description of Debt Securities** **Certain Terms of the Senior Debt Securities** **Discharge and Defeasance** in the accompanying prospectus are applicable to the senior notes. If we effect covenant defeasance with respect to the senior notes as described in the accompanying prospectus, then the covenants described above under **Certain covenants** and **Change of control offer to repurchase** will cease to be applicable to the senior notes.

## **Governing law**

The indenture and the senior notes will be governed by, and construed in accordance with, the laws of the State of New York.

## **The trustee**

The indenture provides that, except during the continuance of an Event of Default, the trustee will perform only such duties as are specifically set forth in such indenture. If an Event of Default has occurred and is continuing, the trustee will exercise such rights and powers vested in it under the indenture and use the same degree of care and skill in its exercise as a prudent person would exercise under the circumstances in the conduct of such person's own affairs.

The indenture and the provisions of the Trust Indenture Act, incorporated by reference therein, contain limitations on the rights of the trustee thereunder should it become a creditor of the Guarantor, DCL or any of their subsidiaries, to obtain payment of claims in certain cases or to realize on certain property received by it in respect of any such claims, as security or otherwise. The trustee is permitted to engage in other transactions, provided that if it acquires any conflicting interest (as defined in the Trust Indenture Act), it must eliminate such conflict or resign.

## **Book-entry, delivery and form**

The senior notes of each series will be issued as fully-registered global senior notes which will be deposited with, or on behalf of, DTC and registered, at the request of DTC, in the name of Cede & Co. Beneficial interests in the global senior notes will be represented through book-entry accounts of financial institutions acting on behalf of beneficial owners as direct or indirect participants in DTC. Investors may elect to hold their interests in the global senior notes through either DTC (in the United States) or (in Europe) through Clearstream or through Euroclear. Investors may hold their interests in the global senior notes directly if they are participants of such systems, or indirectly through organizations that are participants in these systems. Interests held through Clearstream and Euroclear will be recorded on DTC's books as being held by the U.S. depository for each of Clearstream and Euroclear (the U.S. Depositories), which U.S. Depositories will, in turn, hold interests on behalf of their participants' customers' securities accounts. Beneficial interests in the global senior notes will be

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held in denominations of \$2,000 and multiples of \$1,000 in excess thereof. Except as set forth below, the global senior notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee.

Senior notes represented by a global senior note can be exchanged for definitive securities in registered form only if:

- DTC notifies us that it is unwilling or unable to continue as depository for that global senior note and we do not appoint a successor depository within 90 days after receiving that notice;
- at any time DTC ceases to be a clearing agency registered under the Exchange Act and we do not appoint a successor depository within 90 days after becoming aware that DTC has ceased to be registered as a clearing agency; or
- we in our sole discretion determine that that global senior note will be exchangeable for definitive securities in registered form and notify the trustee of our decision.

A global senior note that can be exchanged as described in the preceding sentence will be exchanged for definitive securities issued in authorized denominations in registered form for the same aggregate amount. The definitive securities will be registered in the names of the owners of the beneficial interests in the global senior note as directed by DTC.

We will make principal and interest payments on all senior notes represented by a global senior note to the paying agent which in turn will make payment to DTC or its nominee, as the case may be, as the sole registered owner and the sole holder of the senior notes represented by a global senior note for all purposes under the indenture. Accordingly, we, the trustee and any paying agent will have no responsibility or liability for:

- any aspect of DTC's records relating to, or payments made on account of, beneficial ownership interests in a debt security represented by a global senior note;
- any other aspect of the relationship between DTC and its participants or the relationship between those participants and the owners of beneficial interests in a global senior note held through those participants; or
- the maintenance, supervision or review of any of DTC's records relating to those beneficial ownership interests.

DTC has advised us that its current practice is to credit participants' accounts on each payment date with payments in amounts proportionate to their respective beneficial interests in the principal amount of such global senior note as shown on DTC's records, upon DTC's receipt of funds and corresponding detail information. The underwriters will initially designate the accounts to be credited. Payments by participants to owners of beneficial interests in a global senior note will be governed by standing instructions and customary practices, as is the case with securities held for customer accounts registered in street name, and will be the sole responsibility of those participants. Book-entry notes may be more difficult to pledge because of the lack of a physical note.

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## **Material U.S. federal tax considerations**

The following is a discussion of material U.S. federal income and estate tax considerations related to the purchase, ownership and disposition of the senior notes. This discussion is based upon provisions of the Internal Revenue Code of 1986, as amended (the Code), the U.S. Treasury Regulations promulgated thereunder (the U.S. Treasury Regulations), administrative rulings and judicial decisions in effect as of the date of this prospectus supplement, any of which may subsequently be changed, possibly retroactively, or interpreted differently by the Internal Revenue Service (the IRS), so as to result in U.S. federal income and estate tax consequences different from those discussed below. Except where noted, this discussion deals only with senior notes held as capital assets (generally for investment purposes) by a beneficial owner who purchases senior notes on original issuance at the initial offering price at which a substantial amount of the senior notes are sold for cash to persons other than bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers, which we refer to as the issue price. This discussion does not address all aspects of U.S. federal income and estate taxes related to the purchase, ownership and disposition of the senior notes and does not address all tax consequences that may be relevant to holders in light of their personal circumstances or particular situations, such as:

- tax consequences to holders who may be subject to special tax treatment, including dealers in securities or currencies, banks and other financial institutions, regulated investment companies, real estate investment trusts, tax-exempt entities, insurance companies and traders in securities that elect to use a mark-to-market method of accounting for their securities;
- tax consequences to persons holding senior notes as a part of a hedging, integrated, conversion or constructive sale transaction or a straddle;
- tax consequences to U.S. holders (as defined below) of senior notes whose functional currency is not the U.S. dollar;
- tax consequences to partnerships or other pass-through entities and their members;
- tax consequences to certain former citizens or residents of the United States;
- Medicare contribution tax consequences to non-U.S. holders (as defined below);
- U.S. federal alternative minimum tax consequences, if any;
- any state, local or foreign tax consequences; and
- U.S. federal estate or gift taxes, if any, except as set forth below with respect to non-U.S. holders (as defined below).

If a partnership (including any entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds senior notes, the tax treatment of a partner will generally depend upon the status of the partner and the activities of the partnership. A beneficial owner that is a partnership and partners in such a partnership should consult their tax advisors.

This discussion does not address the tax considerations arising under the laws of any foreign, state, or local jurisdiction. If you are considering the purchase of senior notes, you should consult your tax advisors concerning the U.S. federal income and estate tax consequences to you in light of your own specific situation, as well as consequences arising under the laws of any other taxing jurisdiction.



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In this discussion, we use the term "U.S. holder" to refer to a beneficial owner of senior notes that is, for U.S. federal income tax purposes:

- an individual citizen or resident of the United States;
- a corporation (or any other entity or arrangement treated as a corporation for U.S. federal income tax purposes) created or organized in or under the laws of the United States, any state thereof or the District of Columbia;
- an estate the income of which is subject to U.S. federal income taxation regardless of its source; or
- a trust, if it (i) is subject to the primary supervision of a court within the U.S. and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (ii) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

We use the term "non-U.S. holder" to describe a beneficial owner (other than a partnership or other pass-through entity) of senior notes that is not a U.S. holder. Non-U.S. holders should consult their tax advisors to determine the U.S. federal, foreign, state, local and any other tax consequences that may be relevant to them.

## **Consequences to U.S. holders**

### ***Payments of interest***

It is anticipated, and this discussion assumes, that the issue price of the senior notes will be equal to the stated principal amount, or if the issue price is less than the stated principal amount, the difference will be a de minimis amount (as set forth in the applicable U.S. Treasury Regulations). In such case (subject to the discussion below under "Additional payments"), interest on a senior note generally will be taxable to a U.S. holder as ordinary income at the time it is received or accrued in accordance with the U.S. holder's usual method of accounting for tax purposes. If, however, the issue price of the senior notes is less than the stated principal amount and the difference is more than a de minimis amount (as set forth in the applicable U.S. Treasury Regulations), a U.S. holder will be required to include the difference in income as original issue discount as it accrues in accordance with a constant yield method (as set forth in the applicable U.S. Treasury Regulations).

### ***Additional payments***

In certain circumstances, we may be obligated to pay amounts in excess of stated interest or principal on the senior notes. For example, if we are required to repurchase the senior notes in connection with a Change of Control Triggering Event as described in "Description of senior notes - Change of control offer to repurchase," we must pay a 1% premium. In addition, we may redeem the senior notes at any time, and upon such a redemption we may be required to pay amounts in excess of accrued interest and principal on the senior notes as described in "Description of senior notes - Optional redemption." The possibility of such payments may implicate special rules under U.S. Treasury Regulations governing contingent payment debt instruments. According to those regulations, the possibility that additional payments will be made will not cause the senior notes to be contingent payment debt instruments if, as of the date the senior notes are issued, there is only a remote chance that such payments will be made, the amount of such payments is incidental, or certain other exceptions apply. We believe that the likelihood that we will be obligated to repurchase the senior notes upon a change of control and pay the 1% premium is remote and/or that the 1% premium is incidental. Therefore, we do not intend to treat the potential payment of these amounts as subjecting the senior notes to the

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contingent payment debt rules. Under current U.S. Treasury Regulations, the optional redemption at a potential premium does not cause the senior notes to be subject to the contingent payment debt rules because such redemption would increase the yield on the senior notes and therefore is deemed not to be exercised by us.

Therefore, we have determined (and the remainder of this discussion assumes) that the senior notes are not contingent payment debt instruments. Our determination is binding on U.S. holders unless they disclose their contrary positions to the IRS in the manner required by applicable U.S. Treasury Regulations. Our determination that the senior notes are not contingent payment debt instruments is not, however, binding on the IRS. If the IRS were to successfully challenge our determination and the senior notes were treated as contingent payment debt instruments, U.S. holders would be required, among other things, to (i) accrue interest income based on a projected payment schedule and comparable yield, which may be a higher rate than the stated interest rate on the senior notes, regardless of their method of tax accounting and (ii) treat as ordinary income, rather than capital gain, any gain recognized on a sale, exchange or redemption of a senior note. In the event that any of the above contingencies were to occur, it would affect the amount and timing of the income recognized by a U.S. holder. If any additional payments are in fact made, U.S. holders will be required to recognize such amounts as income.

### ***Sale, redemption or other taxable disposition of senior notes***

A U.S. holder generally will recognize gain or loss upon the sale, redemption or other taxable disposition of a senior note equal to the difference between the amount realized (except to the extent any amount realized is attributable to accrued but unpaid interest, which will be taxable as ordinary interest income to the extent not previously included in income) and such U.S. holder's adjusted tax basis in the senior note. A U.S. holder's adjusted tax basis in a senior note will generally be equal to the amount that such U.S. holder paid for the senior note. Any gain or loss recognized on a taxable disposition of the senior note will generally be capital gain or loss. If, at the time of the sale, redemption or other taxable disposition of the senior note, a U.S. holder is treated as having held the senior note for more than one year, such capital gain or loss will be a long-term capital gain or loss. Otherwise, such capital gain or loss will be a short-term capital gain or loss. In the case of certain non-corporate U.S. holders (including individuals), long-term capital gain generally is subject to U.S. federal income tax at a lower rate than short-term capital gain, which is taxed at ordinary income rates. A U.S. holder's ability to deduct capital losses may be limited.

### ***Assumption of our obligations under the senior notes***

Under certain circumstances described in this prospectus supplement under the heading "Description of senior notes - Certain covenants - Consolidation, merger and sale of assets," our obligations under the senior notes and the indenture may be assumed by another person. An assumption by another person of our obligations under the senior notes and the indenture might be deemed for U.S. federal income tax purposes to be an exchange by a holder of the senior notes for new senior notes, resulting in recognition of gain or loss for such purposes and possibly other adverse tax consequences to the holder. Holders should consult their own tax advisors regarding the tax consequences of such an assumption.

### ***Medicare tax***

A U.S. holder that is an individual, estate, or trust (unless the trust falls into a class of trusts specifically exempted from the tax) will be subject to a 3.8% tax on the lesser of (1) the U.S. holder's net investment income for the taxable year and (2) the excess of the U.S. holder's modified adjusted gross income for the taxable year over a certain threshold amount (which in the case of individuals will

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be \$250,000 for joint filers, \$125,000 for married persons filing separately and \$200,000 for all others). Net investment income generally includes interest income and net gains from the disposition of the senior notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). U.S. holders that are individuals, estates or trusts are urged to consult their tax advisors regarding the applicability of the Medicare tax to income and gains in respect of its investment in the senior notes.

### ***Information reporting and backup withholding***

Information reporting requirements generally will apply to payments of interest on the senior notes and to the proceeds of a sale of a senior note paid to a U.S. holder unless the U.S. holder is an exempt recipient (such as a corporation). Backup withholding at the applicable rate (currently 28%) will apply to those payments if the U.S. holder fails to provide its correct taxpayer identification number, or certification of exempt status, generally by providing an IRS Form W-9 or an approved substitute, or if the U.S. holder is notified by the IRS that the U.S. holder has failed to report in full payments of interest and dividend income. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. holder's U.S. federal income tax liability provided the required information is timely furnished to the IRS.

### **Consequences to non-U.S. holders**

#### ***Payments of interest***

In general, payments of interest on the senior notes to, or on behalf of, a non-U.S. holder will be considered portfolio interest and, subject to the discussions below of income effectively connected with a U.S. trade or business, backup withholding and the Foreign Account Tax Compliance Act, will not be subject to U.S. federal income or withholding tax, provided that:

- the non-U.S. holder does not directly or indirectly, actually or constructively, own 10% or more of the total combined voting power of all classes of Discovery's stock entitled to vote within the meaning of Section 871(h)(3) of the Code;
- the non-U.S. holder is not, for U.S. federal income tax purposes, a controlled foreign corporation that is related to us (actually or constructively) through stock ownership; and
- (a) the non-U.S. holder provides its name, address, and taxpayer identification number, if any, and certifies, under penalties of perjury, that it is not a U.S. person (which certification may be made on an IRS Form W-8BEN or other applicable form) or (b) the non-U.S. holder holds the senior notes through certain foreign intermediaries or certain foreign partnerships, and the non-U.S. holder and the foreign intermediary or foreign partnership satisfy the certification requirements of applicable Treasury Regulations. Special certification rules apply to non-U.S. holders that are pass-through entities.

If a non-U.S. holder cannot satisfy the requirements described above, payments of interest generally will be subject to the 30% U.S. federal withholding tax, unless the non-U.S. holder provides us with a properly executed (i) IRS Form W-8BEN (or other applicable form) claiming an exemption from or reduction in withholding under an applicable income tax treaty or (ii) IRS Form W-8ECI (or other applicable form) stating that interest paid on the senior notes is not subject to withholding tax because it is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States and includable in the non-U.S. holder's gross income.

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If a non-U.S. holder is engaged in a trade or business in the United States and interest on the senior notes is effectively connected with the conduct of that trade or business and, if required by an applicable income tax treaty, is attributable to a U.S. permanent establishment or fixed base, then, although the non-U.S. holder will be exempt from the 30% withholding tax (provided the certification requirements discussed above are satisfied), the non-U.S. holder will be subject to U.S. federal income tax on that interest on a net income basis at regular graduated U.S. federal income tax rates, generally in the same manner as if the non-U.S. holder were a U.S. holder. In addition, if a non-U.S. holder is a foreign corporation, it may be subject to a branch profits tax equal to 30% (or lesser rate under an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments.

Sale, redemption or other taxable disposition of senior notes

Gain realized by a non-U.S. holder on the sale, redemption or other taxable disposition of a senior note will not be subject to U.S. income tax unless:

- that gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States (and, if required by an applicable income treaty, is attributable to a U.S. permanent establishment or fixed base); or
- the non-U.S. holder is an individual who is present in the United States for 183 days or more in the taxable year of that disposition and certain other conditions are met.

If a non-U.S. holder is described in the first bullet point above, it will be subject to tax on the net gain derived from the sale, redemption, or other taxable disposition of the senior notes at regular graduated U.S. federal income tax rates, generally in the same manner as if the non-U.S. holder were a U.S. holder. In addition, if a non-U.S. holder is a foreign corporation, it may be subject to the branch profits tax equal to 30% (or lesser rate under an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, subject to certain adjustments. If a non-U.S. holder is an individual described in the second bullet point above, such holder will be subject to a flat 30% tax (unless an applicable income tax treaty provides otherwise) on the gain derived from the sale, redemption, or other taxable disposition, which may be offset by certain U.S. source capital losses, even though such holder is not considered a resident of the United States.

***Information reporting and backup withholding***

Generally, the applicable withholding agent must report annually to the IRS and to non-U.S. holders the amount of interest paid to non-U.S. holders and the amount of tax, if any, withheld with respect to those payments. Copies of the information returns reporting such interest payments and withholding may also be made available to the tax authorities in the country in which a non-U.S. holder resides under the provisions of an applicable income tax treaty.

In general, a non-U.S. holder will not be subject to backup withholding with respect to payments of interest that we make, provided the statement described above in the last bullet point under "Consequences to non-U.S. holders - Payments of interest" has been received and we do not have actual knowledge or reason to know that the holder is a U.S. person, as defined under the Code, who is not an exempt recipient. In addition, a non-U.S. holder will be subject to information reporting and, depending on the circumstances, backup withholding with respect to payments of the proceeds of the sale of a senior note within the United States or conducted through certain U.S.-related financial intermediaries, unless the statement described above has been received, and the payor does not have actual knowledge or reason to know that a holder is a U.S. person, as defined under the Code, who is not an exempt recipient, or the non-U.S. holder otherwise establishes an exemption. Backup

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withholding is not an additional tax. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a non-U.S. holder's U.S. federal income tax liability provided the required information is furnished timely to the IRS. The backup withholding and information reporting rules are complex, and non-U.S. holders are urged to consult their own tax advisors regarding application of these rules to their particular circumstances.

### ***Foreign Account Tax Compliance Act***

The Foreign Account Tax Compliance Act (or FATCA), enacted in 2010, will generally impose a 30% U.S. federal withholding tax on certain types of payments made after specified dates, such as U.S.-source interest income on debt obligations and the gross proceeds from the disposition of such debt obligations that can give rise to U.S.-source interest, made to foreign financial institutions (whether as a beneficial owner or an intermediary) and certain other non-financial foreign entities unless the entity meets certain requirements or is otherwise exempt. Under final U.S. Treasury Regulations issued January 17, 2013, this legislation generally will not apply to debt obligations outstanding on January 1, 2014 unless the debt obligation undergoes a significant modification, within the meaning of the U.S.

Treasury Regulations, after that date. Accordingly, this legislation will not apply to the senior notes unless the notes are significantly modified, within the meaning of the U.S. Treasury Regulations, on or after January 1, 2014.

### ***U.S. federal estate taxes***

A senior note beneficially owned by an individual who is not a citizen or resident of the U.S. (as specially defined for U.S. federal estate tax purposes) at the time of his or her death generally will not be subject to U.S. federal estate tax as a result of the individual's death, provided that:

- the individual does not directly or indirectly, actually or constructively, own 10% or more of the total combined voting power of all classes of Discovery's stock entitled to vote within the meaning of Section 871(h)(3) of the Code; and
- interest payments with respect to such senior note, if received at the time of the individual's death, would not have been effectively connected with the conduct of a U.S. trade or business by the individual.

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Subject to the terms and conditions in the underwriting agreement among us, the Guarantor and J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated and Credit Suisse Securities (USA) LLC, as representatives of the underwriters named below, we have agreed to sell to each underwriter, and each underwriter has severally agreed to purchase from us, the principal amount of the senior notes that appears opposite its name in the table below:

<b>Underwriter</b>	<b>Principal amount of 2023 notes</b>	<b>Principal amount of 2043 notes</b>
J.P. Morgan Securities LLC	\$ 70,000,000	\$ 170,000,000
Merrill Lynch, Pierce, Fenner & Smith Incorporated	45,500,000	110,500,000
Credit Suisse Securities (USA) LLC	45,500,000	110,500,000
Citigroup Global Markets Inc.	35,000,000	85,000,000
RBS Securities Inc.	35,000,000	85,000,000
BNP Paribas Securities Corp.	15,750,000	38,250,000
Morgan Stanley & Co. LLC	15,750,000	38,250,000
RBC Capital Markets, LLC	15,750,000	38,250,000
Scotia Capital (USA) Inc.	15,750,000	38,250,000
Credit Agricole Securities (USA) Inc.	14,000,000	34,000,000
Goldman, Sachs & Co.	14,000,000	34,000,000
SunTrust Robinson Humphrey, Inc.	14,000,000	34,000,000
Wells Fargo Securities, LLC	14,000,000	34,000,000
<b>Total</b>	<b>\$ 350,000,000</b>	<b>\$ 850,000,000</b>

The obligations of the underwriters under the underwriting agreement, including their agreement to purchase senior notes from us, are several and not joint. The underwriters have agreed to purchase all of the senior notes if any of them are purchased.

The underwriters initially propose to offer the senior notes to the public at the public offering price that appears on the cover page of this prospectus supplement. In addition, the underwriters may offer the senior notes to selected dealers at the public offering price minus a concession of up to 0.40% and 0.50% of the principal amount of the 2023 notes and the 2043 notes, respectively. In addition, the underwriters may allow, and those selected dealers may reallow, a concession of up to 0.25% and 0.25% of the principal amount of the 2023 notes and the 2043 notes, respectively, to certain other dealers. After the initial offering, the underwriters may change the public offering price and any other selling terms. The underwriters may offer and sell senior notes of either series through certain of their affiliates.

In the underwriting agreement, we have agreed that:

- We will pay our expenses for printing, registration fees, rating agency fees and other expenses (other than estimated discounts and commissions of the underwriters) related to the offering, which we estimate will be \$1 million.
- We will indemnify the underwriters against certain liabilities, including liabilities under the Securities Act, or contribute to payments that the underwriters may be required to make in respect of those liabilities.

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The following table shows the underwriting discounts and commissions that we will pay to the underwriters in connection with this offering of senior notes (expressed as a percentage of the principal amount of the senior notes):

	<b>Paid by DCL</b>
Per 2023 note	0.650%
Per 2043 note	0.875%
<b>Total</b>	<b>\$ 9,712,500</b>

The senior notes are new issues of securities for which there is no established trading market. We do not intend to apply for the senior notes to be listed on any securities exchange or to arrange for the senior notes to be quoted on any dealer quotation system. The underwriters have advised us that they intend to make a market in the senior notes, as permitted by applicable laws and regulations; however, the underwriters are not obligated to do so and they may discontinue their market-making activities at any time without notice. Accordingly, an active public trading market for the senior notes may not develop, and the market price and liquidity of the senior notes may be adversely affected.

In connection with the offering, the underwriters may engage in over-allotment, stabilizing transactions and syndicate covering transactions. Over-allotment involves sales in excess of the offering size, which creates a short position for the underwriters. Stabilizing transactions involve bids to purchase the senior notes in the open market for the purpose of pegging, fixing or maintaining the price of the senior notes. Syndicate covering transactions involve purchases of the senior notes in the open market after the distribution has been completed in order to cover short positions. Stabilizing transactions and syndicate covering transactions may cause the price of the senior notes to be higher than it would otherwise be in the absence of those transactions. The underwriters are not required to engage in stabilizing or syndicate covering transactions and if they engage in such transactions, they may discontinue them at any time.

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a Relevant Member State), each underwriter has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the Relevant Implementation Date) it has not made and will not make an offer of senior notes which are the subject of the offering contemplated by this Prospectus Supplement to the public in that Relevant Member State other than:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent of the representatives for any such offer; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive, provided that no such offer of senior notes shall require the Company or any underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an offer of senior notes to the public in relation to any senior notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the senior notes to be offered so as to enable an investor to decide to purchase or subscribe for the senior notes, as the same may be varied

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in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

Each underwriter has represented and agreed that:

it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (FSMA)) received by it in connection with the issue or sale of the senior notes in circumstances in which Section 21(1) of the FSMA would not, if we were not an authorized person, apply to us; and

it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the senior notes in, from or otherwise involving the United Kingdom.

We expect to deliver the senior notes against payment for the senior notes on or about the date specified in the last paragraph of the cover page of this prospectus supplement, which will be the fifth business day following the date of the pricing of the senior notes. Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally are required to settle in three business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade senior notes on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the senior notes initially will settle in T+5, to specify an alternate settlement arrangement to prevent a failed settlement.

The underwriters and certain of their affiliates have provided from time to time, and may provide in the future, investment and commercial banking and financial advisory services to us, Discovery and our respective affiliates in the ordinary course of business, including acting as underwriters or managers of our respective securities offerings. They have received and may continue to receive customary fees and commissions for these transactions. Affiliates of J.P. Morgan Securities LLC, Merrill Lynch, Pierce, Fenner & Smith Incorporated, Credit Suisse Securities (USA) LLC, Citigroup Global Markets Inc. and RBS Securities Inc. currently serve as lenders and/or agents under Discovery's revolving credit facility.

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the underwriters or their affiliates have a lending relationship with us, certain of those underwriters or their affiliates routinely hedge, and certain other of those underwriters or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, these underwriters and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the senior notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the senior notes offered hereby. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

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## **Legal matters**

Certain legal matters in connection with the senior notes offered hereby and the guarantee will be passed upon for us by Wilmer Cutler Pickering Hale and Dorr LLP and for the underwriters by Davis Polk & Wardwell LLP.

## **Experts**

The consolidated financial statements and management's assessment of the effectiveness of internal control over financial reporting (which is included in Management's Report on Internal Control over Financial Reporting) incorporated in this prospectus by reference to the Annual Report on Form 10-K for the year ended December 31, 2012 have been so incorporated in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

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PROSPECTUS

**Discovery Communications, Inc.**

**Debt Securities**

(guaranteed to the extent provided herein by Discovery Communications Holding, LLC

and/or Discovery Communications, LLC)

**Series A Common Stock**

**Series C Common Stock**

**Preferred Stock**

**Depositary Shares**

**Stock Purchase Contracts**

**Stock Purchase Units**

**Warrants**

**Discovery Communications Holding, LLC**

**Debt Securities**

(guaranteed to the extent provided herein by Discovery Communications, LLC

and/or Discovery Communications, Inc.)

**Discovery Communications, LLC**

**Debt Securities**

(guaranteed to the extent provided herein by Discovery Communications Holding, LLC

and/or Discovery Communications, Inc.)

## Edgar Filing: Discovery Communications, Inc. - Form 424B5

We may issue securities from time to time in one or more offerings. This prospectus describes the general terms of these securities and the general manner in which these securities will be offered. We will provide the specific terms of these securities in supplements to this prospectus. The prospectus supplements will also describe the specific manner in which these securities will be offered and may also supplement, update or amend information contained in this document. You should read this prospectus and any applicable prospectus supplement before you invest.

We may offer these securities in amounts, at prices and on terms determined at the time of offering. The securities may be sold directly to you, through agents or through underwriters and dealers. If agents, underwriters or dealers are used to sell the securities, we will name them and describe their compensation in a prospectus supplement.

Discovery Communications, Inc. has three series of common stock, Series A, Series B and Series C, which trade on the Nasdaq Global Select Market under the symbols DISCA, DISCB and DISCK, respectively.

**Investing in these securities involves certain risks. See the information included and incorporated by reference in this prospectus and the accompanying prospectus supplement for a discussion of the factors you should carefully consider before deciding to purchase these securities.**

Our principal executive offices are located at One Discovery Place, Silver Spring, Maryland 20910, and our telephone number is (240) 662-2000.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

**The date of this prospectus is June 18, 2012**

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**ABOUT THIS PROSPECTUS**

Unless the context otherwise indicates, references in this prospectus to *we*, *our* and *us* refer, collectively, to Discovery Communications, Inc., a Delaware corporation, and its consolidated subsidiaries; the term *Discovery* means Discovery Communications, Inc.; the term *DCH* means Discovery Communications Holding, LLC, a Delaware limited liability company that is an indirect wholly-owned consolidated subsidiary of Discovery; and the term *DCL* means Discovery Communications, LLC, a Delaware limited liability company that is an indirect wholly-owned consolidated subsidiary of Discovery.

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, which we refer to as the SEC, utilizing a *shelf* registration process. Under this shelf registration process, we may from time to time sell any combination of the securities described in this prospectus in one or more offerings. Discovery may offer any of the following securities: debt securities, Series A common stock, Series C common stock, preferred stock, depositary shares, stock purchase contracts, stock purchase units and warrants. DCH may offer debt securities guaranteed by DCL and/or Discovery. DCL may offer debt securities guaranteed by DCH and/or Discovery.

This prospectus provides you with a general description of the securities we may offer. Each time we sell securities, we will provide one or more prospectus supplements that will contain specific information about the terms of the offering. The prospectus supplement may also add, update or change information contained in this prospectus. You should read both this prospectus and the accompanying prospectus supplement together with the additional information described under the heading *Where You Can Find More Information* beginning on page 2 of this prospectus.

You should rely only on the information contained in or incorporated by reference in this prospectus, any accompanying prospectus supplement or in any related free writing prospectus filed by us with the SEC. We have not authorized anyone to provide you with different information. This prospectus and the accompanying prospectus supplement do not constitute an offer to sell or the solicitation of an offer to buy any securities other than the securities described in the accompanying prospectus supplement or an offer to sell or the solicitation of an offer to buy such securities in any circumstances in which such offer or solicitation is unlawful. You should assume that the information appearing in this prospectus, any prospectus supplement and the documents incorporated by reference is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed materially since those dates.

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**WHERE YOU CAN FIND MORE INFORMATION**

Discovery files annual, quarterly and current reports, proxy statements and other information with the SEC. Its SEC filings are available to the public over the Internet at the SEC's website at <http://www.sec.gov>. Copies of certain information filed by Discovery with the SEC are also available on its website at <http://www.discoverycommunications.com>. Discovery's website is not a part of this prospectus and is not incorporated by reference into this prospectus. You may also read and copy any document Discovery files at the SEC's public reference room, 100 F Street, N.E., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference room.

This prospectus is part of a registration statement we filed with the SEC. This prospectus omits some information contained in the registration statement in accordance with SEC rules and regulations. You should review the information and exhibits in the registration statement for further information on us and our consolidated subsidiaries and the securities we are offering. Statements in this prospectus concerning any document we filed as an exhibit to the registration statement or that we otherwise filed with the SEC are not intended to be comprehensive and are qualified by reference to these filings. You should review the complete document to evaluate these statements.

**INCORPORATION BY REFERENCE**

The SEC allows us to incorporate by reference much of the information we file with them, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we incorporate by reference in this prospectus is considered to be part of this prospectus. Because we are incorporating by reference future filings with the SEC, this prospectus is continually updated and those future filings may modify or supersede some of the information included or incorporated in this prospectus. This means that you must look at all of the SEC filings that we incorporate by reference to determine if any of the statements in this prospectus or in any document previously incorporated by reference have been modified or superseded. This prospectus incorporates by reference the documents listed below (File No. 001-34177) and any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act (in each case, other than those documents or the portions of those documents not deemed to be filed) until the offering of the securities under the registration statement is terminated or completed:

Annual Report on Form 10-K for the fiscal year ended December 31, 2011, filed on February 17, 2012;

Quarterly Report on Form 10-Q for the quarter ended March 31, 2012, filed on May 8, 2012;

Current Reports on Form 8-K filed on January 9, 2012, January 23, 2012, April 4, 2012