

Discovery Holding CO  
Form 4  
May 24, 2007

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549**

OMB APPROVAL

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Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**TANABE CHARLES Y**

(Last) (First) (Middle)

12300 LIBERTY BLVD.

(Street)

ENGLEWOOD, CO 80112

(City) (State) (Zip)

2. Issuer Name and Ticker or Trading Symbol  
Discovery Holding CO [DISC]

3. Date of Earliest Transaction (Month/Day/Year)  
05/23/2007

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
Senior Vice President

6. Individual or Joint/Group Filing(Check Applicable Line)  
 Form filed by One Reporting Person  
 Form filed by More than One Reporting Person

**Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned**

| 1. Title of Security (Instr. 3) | 2. Transaction Date (Month/Day/Year) | 2A. Deemed Execution Date, if any (Month/Day/Year) | 3. Transaction Code (Instr. 8) | 4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5) | (A) or (D) | 5. Amount or Price | 6. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4) | 7. Nature of Ownership Indirect Beneficial Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|------------|--------------------|---|---|
| Series A Common Stock           | 05/23/2007                           |  | M                              | 200   | A          | \$ 17.54           | 14,172  | D   |
| Series A Common Stock           | 05/23/2007                           |  | S                              | 200   | D          | \$ 23.21           | 13,972  | D   |
| Series A Common Stock           | 05/23/2007                           |  | M                              | 1,234   | A          | \$ 17.54           | 15,206  | D   |
| Series A Common                 | 05/23/2007                           |  | S                              | 1,234   | D          | \$ 23.22           | 13,972  | D   |

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|                             |            |   |        |   |             |        |  |   |
|-----------------------------|------------|---|--------|---|-------------|--------|--|---|
| Stock                       |            |   |        |   |             |        |  |   |
| Series A<br>Common<br>Stock | 05/23/2007 | M | 1,800  | A | \$<br>17.54 | 15,772 |  | D |
| Series A<br>Common<br>Stock | 05/23/2007 | S | 1,800  | D | \$<br>23.23 | 13,972 |  | D |
| Series A<br>Common<br>Stock | 05/23/2007 | M | 21,092 | A | \$<br>17.54 | 35,064 |  | D |
| Series A<br>Common<br>Stock | 05/23/2007 | S | 21,092 | D | \$ 23.4     | 13,972 |  | D |
| Series A<br>Common<br>Stock | 05/23/2007 | M | 4,004  | A | \$<br>17.54 | 17,976 |  | D |
| Series A<br>Common<br>Stock | 05/23/2007 | S | 4,004  | D | \$<br>23.41 | 13,972 |  | D |
| Series A<br>Common<br>Stock | 05/23/2007 | M | 5,212  | A | \$<br>17.54 | 19,184 |  | D |
| Series A<br>Common<br>Stock | 05/23/2007 | S | 5,212  | D | \$<br>23.42 | 13,972 |  | D |
| Series A<br>Common<br>Stock | 05/23/2007 | M | 4,690  | A | \$<br>17.54 | 18,662 |  | D |
| Series A<br>Common<br>Stock | 05/23/2007 | S | 4,690  | D | \$<br>23.43 | 13,972 |  | D |
| Series A<br>Common<br>Stock | 05/23/2007 | M | 7,300  | A | \$<br>17.54 | 21,272 |  | D |
| Series A<br>Common<br>Stock | 05/23/2007 | S | 7,300  | D | \$<br>23.44 | 13,972 |  | D |
| Series A<br>Common<br>Stock | 05/23/2007 | M | 3,768  | A | \$<br>17.54 | 17,740 |  | D |
| Series A<br>Common<br>Stock | 05/23/2007 | S | 3,768  | D | \$<br>23.45 | 13,972 |  | D |

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|                             |            |   |     |   |             |                    |   |                              |
|-----------------------------|------------|---|-----|---|-------------|--------------------|---|------------------------------|
| Series A<br>Common<br>Stock | 05/23/2007 | M | 300 | A | \$<br>17.54 | 14,272             | D |                              |
| Series A<br>Common<br>Stock | 05/23/2007 | S | 300 | D | \$<br>23.46 | 13,972             | D |                              |
| Series A<br>Common<br>Stock | 05/23/2007 | M | 400 | A | \$<br>17.54 | 14,372             | D |                              |
| Series A<br>Common<br>Stock | 05/23/2007 | S | 400 | D | \$<br>23.47 | 13,972             | D |                              |
| Series A<br>Common<br>Stock |            |   |     |   |             | 306 <sup>(1)</sup> | I | By Spouse                    |
| Series A<br>Common<br>Stock |            |   |     |   |             | 754 <sup>(2)</sup> | I | By 401(k)<br>Savings<br>Plan |

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned**  
(e.g., puts, calls, warrants, options, convertible securities)

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2. Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4. Transaction<br>Code<br>(Instr. 8) | 5. Number of<br>Derivative<br>Securities<br>Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) | 8. Amount<br>or<br>Number<br>of Shares |
|---|--|---|---|--------------------------------------|--|--|---|--|
| Stock<br>Option<br>(right to<br>buy)                | \$ 17.54   | 05/23/2007                              |   | M                                    | 200  | <sup>(3)</sup><br>02/28/2011                                   | Series A<br>Common<br>Stock   | 200                                    |
| Stock<br>Option<br>(right to<br>buy)                | \$ 17.54   | 05/23/2007                              |   | M                                    | 1,234  | <sup>(3)</sup><br>02/28/2011                                   | Series A<br>Common<br>Stock   | 1,234                                  |

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|                             |          |            |   |        |            |            |                       |        |
|-----------------------------|----------|------------|---|--------|------------|------------|-----------------------|--------|
| Stock Option (right to buy) | \$ 17.54 | 05/23/2007 | M | 1,800  | <u>(3)</u> | 02/28/2011 | Series A Common Stock | 1,800  |
| Stock Option (right to buy) | \$ 17.54 | 05/23/2007 | M | 21,092 | <u>(3)</u> | 02/28/2011 | Series A Common Stock | 21,092 |
| Stock Option (right to buy) | \$ 17.54 | 05/23/2007 | M | 4,004  | <u>(3)</u> | 02/28/2011 | Series A Common Stock | 4,004  |
| Stock Option (right to buy) | \$ 17.54 | 05/23/2007 | M | 5,212  | <u>(3)</u> | 02/28/2011 | Series A Common Stock | 5,212  |
| Stock Option (right to buy) | \$ 17.54 | 05/23/2007 | M | 4,690  | <u>(3)</u> | 02/28/2011 | Series A Common Stock | 4,690  |
| Stock Option (right to buy) | \$ 17.54 | 05/23/2007 | M | 7,300  | <u>(3)</u> | 02/28/2011 | Series A Common Stock | 7,300  |
| Stock Option (right to buy) | \$ 17.54 | 05/23/2007 | M | 3,768  | <u>(3)</u> | 02/28/2011 | Series A Common Stock | 3,768  |
| Stock Option (right to buy) | \$ 17.54 | 05/23/2007 | M | 300    | <u>(3)</u> | 02/28/2011 | Series A Common Stock | 300    |
| Stock Option (right to buy) | \$ 17.54 | 05/23/2007 | M | 400    | <u>(3)</u> | 02/28/2011 | Series A Common Stock | 400    |

## Reporting Owners

| Reporting Owner Name / Address                                 | Relationships |           |                       |       |
|--|---------------|-----------|-----------------------|-------|
|  | Director      | 10% Owner | Officer               | Other |
| TANABE CHARLES Y<br>12300 LIBERTY BLVD.<br>ENGLEWOOD, CO 80112 |               |           | Senior Vice President |       |

## Signatures

/s/ Charles Y.  
Tanabe

05/24/2007

\_\_Signature of  
Reporting Person

Date

## Explanation of Responses:

- \* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).
- \*\* Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

(1) The Reporting Person disclaims beneficial ownership of these shares owned by his Spouse.

(2) The number of shares represents equivalent shares based on the fair market value of the shares of the Issuer's Series A common stock held by the unitized stock fund under the Liberty Media Corporation 401(k) Savings Plan based on a report from the Plan Administrator dated as of April 30, 2007. The Reporting Person has an interest in the unitized fund, which holds shares of the Issuer's Series A common stock and short-term investments.

(3) The option vested as to 30% on February 28, 2002 and 17.5% on February 28, 2003, 2004, 2005, and 2006.

### Remarks:

The trading symbols for the Issuer's Series A and Series B Common Stock are DISCA and DISCB, respectively.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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