

Discovery Holding CO  
Form 4  
September 28, 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)  
**09/26/2007**

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)	5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(D)	Price
Series A Common Stock	09/26/2007		S		10,136	D	\$ 27.8 3,836
Series A Common Stock	09/26/2007		S		1,236	D	\$ 27.83 2,600
Series A Common Stock	09/26/2007		S		1,000	D	\$ 27.82 1,600
Series A Common	09/26/2007		S		1,000	D	\$ 27.8001 600

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Stock							
Series A Common Stock	09/26/2007	S	600	D	\$ 27.81	0	D
Series A Common Stock	09/27/2007	M	45,000	A	\$ 17.54	45,000	D
Series A Common Stock	09/27/2007	M	20,000	A	\$ 13	65,000	D
Series A Common Stock	09/27/2007	M	13,500	A	\$ 11.84	78,500	D
Series A Common Stock	09/27/2007	S	100	D	\$ 28.65	78,400	D
Series A Common Stock	09/27/2007	S	1,600	D	\$ 28.64	76,800	D
Series A Common Stock	09/27/2007	S	2,135	D	\$ 28.63	74,665	D
Series A Common Stock	09/27/2007	S	500	D	\$ 28.62	74,165	D
Series A Common Stock	09/27/2007	S	26,500	D	\$ 28.61	47,665	D
Series A Common Stock	09/27/2007	S	40,542	D	\$ 28.6	7,123	D
Series A Common Stock	09/27/2007	S	900	D	\$ 28.56	6,223	D
Series A Common Stock	09/27/2007	S	735	D	\$ 28.56	5,488	D
Series A Common Stock	09/27/2007	S	4,500	D	\$ 28.54	988	D
Series A Common Stock	09/27/2007	S	488	D	\$ 28.52	500	D

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Series A Common Stock	09/27/2007	S	500	D	\$ 28.51	0	D	
Series A Common Stock						661 <sup>(1)</sup>	I	By 401(k) Savings plan
Series A Common Stock						306 <sup>(2)</sup>	I	By Spouse

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 Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)	7. Title and Amount of Underlying Securities (Instr. 3 and 4)	8. Amount or Number of Shares
Stock Option (right to buy)	\$ 17.54	09/27/2007		M	45,000	<sup>(3)</sup> 02/28/2011	Series A Common Stock	45,000
Stock Option (right to buy)	\$ 13	09/27/2007		M	20,000	<sup>(4)</sup> 07/31/2013	Series A Common Stock	20,000
Stock Option (right to buy)	\$ 11.84	09/27/2007		M	13,500	<sup>(5)</sup> 08/06/2014	Series A Common Stock	13,500

## Reporting Owners

Reporting Owner Name / Address

**Relationships**

Director    10% Owner    Officer    Other

TANABE CHARLES Y  
12300 LIBERTY BLVD.  
ENGLEWOOD, CO 80112

Senior Vice President

## Signatures

/s/ Charles Y.  
Tanabe

09/28/2007

\*\*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 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 August 31, 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.
- (2) The Reporting Person disclaims beneficial ownership of these shares owned by his spouse.
- (3) The option vested as to 30% on February 28, 2002 and 17.5% on February 28, 2003, 2004, 2005, and 2006..
- (4) The option vests as to 20% on July 31, 2004, 2005, 2006, 2007, and 2008.
- (5) The option vests as to 20% on August 6, 2005, 2006, 2007, 2008 and 2009.

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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