

Discovery Holding CO  
Form 4  
September 26, 2007

**FORM 4** UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

OMB APPROVAL

OMB Number: 3235-0287  
Expires: January 31, 2005  
Estimated average burden hours per response... 0.5

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 \*  
SHEAN CHRISTOPHER W

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

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)  
12300 LIBERTY BLVD.

3. Date of Earliest Transaction  
(Month/Day/Year)  
09/25/2007

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

(Street)  
ENGLEWOOD, CO 80112

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

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

(City) (State) (Zip)

**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	09/25/2007		M		28,204	A	\$ 17.54
					28,360		
Series A Common Stock	09/25/2007		M		5,641	A	\$ 17.54
					34,001		
Series A Common Stock	09/25/2007		M		20,000	A	\$ 13
					54,001		
Series A Common	09/25/2007		M		15,000	A	\$ 11.84
					69,001		

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Stock

Series A  
Common Stock 09/25/2007 S 68,845 D \$ 27.1766 156 D

Series A  
Common Stock 595 <sup>(1)</sup> I By 401(k)  
Savings Plan

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

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SEC 1474  
(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	09/25/2007		M	28,204	<sup>(2)</sup> 09/21/2010	Series A Common Stock	28,204
Stock Option (right to buy)	\$ 17.54	09/25/2007		M	5,641	<sup>(3)</sup> 02/28/2011	Series A Common Stock	5,641
Stock Option (right to buy)	\$ 13	09/25/2007		M	20,000	<sup>(4)</sup> 07/31/2013	Series A Common Stock	20,000
Stock Option (right to buy)	\$ 11.84	09/25/2007		M	15,000	<sup>(5)</sup> 08/06/2014	Series A Common Stock	15,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
SHEAN CHRISTOPHER W 12300 LIBERTY BLVD. ENGLEWOOD, CO 80112			Senior Vice President	

## Signatures

/s/ Charles Y. Tanabe,  
Attorney-in-fact

09/26/2007

\_\_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).
- 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.
- (1) The option vested as to 20% on September 21, 2001, 2002, 2003, 2004 and 2005.
  - (2) The option vested as to 25% on February 28, 2003, 2004, 2005, and 2006.
  - (3) The option vests as to 20% on July 31, 2004, 2005, 2006, 2007, and 2008.
  - (4) The option vests as to 20% on August 6, 2005, 2006, 2007, 2008 and 2009.

### 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. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.