

BENNETT ROBERT R  
Form 4  
September 18, 2008

**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 \*  
**BENNETT ROBERT R**

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

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)  
**09/17/2008**

Director  10% Owner  
 Officer (give title below)  Other (specify below)  
**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)
				(A) or (D)	Price		
Series A Common Stock	09/17/2008		D	15,363	D <u>1</u> 0	D	
Series A Common Stock	09/17/2008		D	109,826	D <u>1</u> 0	I	By Hilltop Investments, Inc.
Series A Common Stock	09/17/2008		D	2,711 <sup>(2)</sup>	D <u>1</u> 0	I	By 401(k) Savings Plan
Series B Common	09/17/2008		D	40	D <u>1</u> 0	I	By Hilltop Investments,

Stock

Inc.

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		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)	
					Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		Date Exercisable	Expiration Date	Title	Amount Number Shares
Stock Option (right to buy)	\$ 13	09/17/2008		D		100,000	(3)	07/31/2013	Series A Common Stock	100,000
Stock Option (right to buy)	\$ 11.84	09/17/2008		D		100,000	(3)	08/06/2014	Series A Common Stock	100,000
Stock Option (right to buy)	(5)	09/17/2008		D		1,667,985	(3)	02/28/2011	Series A or Series B Common Stock (6)	1,667,985
Stock Option (right to buy)	\$ 22.9	09/17/2008		D		10,000	(3)	05/16/2017	Series A Common Stock	10,000

## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
BENNETT ROBERT R 12300 LIBERTY BLVD. ENGLEWOOD, CO 80112	X		President	

## Signatures

/s/ Robert R.  
Bennett

09/18/2008

\_\_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) On September 17, 2008, the Issuer merged (the "Merger") with and into a wholly owned subsidiary of a new public holding company ("New Discovery"), which was a wholly owned subsidiary of the Issuer prior to the Merger. In the Merger, the Reporting Person disposed of each share of the Issuer's Series A common stock and Series B common stock held at the time of the Merger in exchange for 0.50 of a share of the same series of common stock of New Discovery plus 0.50 of a share of Series C common stock of New Discovery.

(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 a unitized stock fund under the Liberty Media Corporation 401(k) Savings Plan based on a report from the Plan Administrator dated August 29, 2008. 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 was 100% vested.

(4) In the Merger (and certain related transactions), the Reporting Person disposed of the option in exchange for an option to purchase shares of the same series of New Discovery common stock, an option to purchase shares of the same series of common stock of Ascent Media Corporation and an option to purchase shares of New Discovery Series C common stock, in each case, at exercise prices to be calculated as described in the proxy statement/prospectus (the "Proxy Statement/Prospectus") filed by the Issuer with the SEC on August 6, 2008.

(5) The Reporting Person had the choice of exercising the option for either the Issuer's Series A common stock at an exercise price of \$17.54 or the Issuer's Series B common stock at an exercise price of \$19.06.

(6) The New Discovery option received in the Merger will be exercisable for shares of New Discovery Series A common stock or New Discovery Series B common stock, at the election of the Reporting Person, at different exercise prices which will be calculated as described in the Proxy Statement/Prospectus.

### Remarks:

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

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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