

SMITH INTERNATIONAL INC
 Form 4
 March 21, 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 *
 CARROLL LOREN K

2. Issuer Name and Ticker or Trading Symbol
 SMITH INTERNATIONAL INC [SII]

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

(Last) (First) (Middle)

3. Date of Earliest Transaction (Month/Day/Year)
 03/19/2007

Director 10% Owner
 Officer (give title below) Other (specify below)

PO BOX 60068

(Street)

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

HOUSTON, TX 77205

(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	(A) or (D)	Price
Common Stock	03/19/2007		M		27,000	A	\$ 17.26
Common Stock	03/19/2007		M		69,000	A	\$ 11.75
Common Stock	03/19/2007		M		4,000	A	\$ 17.36
Common Stock	03/19/2007		S		27,000	D	\$ 45
Common Stock	03/19/2007		S		17,500	D	\$ 45.01
							259,733 ⁽¹⁾

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Common Stock	03/19/2007	S	5,500	D	\$ 45.02	209,733	D
Common Stock	03/19/2007	S	27,638	D	\$ 45.29	182,095	D
Common Stock	03/19/2007	S	19,808	D	\$ 45.3	162,287	D
Common Stock	03/19/2007	S	2,554	D	\$ 45.31	159,733	D
Common Stock	03/21/2007	M	140,000	A	\$ 17.36	299,733 ⁽¹⁾	D
Common Stock	03/21/2007	S	25,000	D	\$ 46.08	274,733	D
Common Stock	03/21/2007	S	25,000	D	\$ 46.06	249,733	D
Common Stock	03/21/2007	S	25,000	D	\$ 46.04	224,733	D
Common Stock	03/21/2007	S	25,000	D	\$ 46.02	199,733	D
Common Stock	03/21/2007	S	40,000	D	\$ 46	159,733	D

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

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

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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)		
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	Amount Number Shares
Employee Stock Option (right to buy)	\$ 17.26	03/19/2007		M	27,000	12/03/2001	12/03/2007	Common Stock	27,000
	\$ 11.75	03/19/2007		M	69,000	12/04/2005	12/04/2011		69,000

Employee
Stock
Option
(right to
buy)

Common
Stock

Employee
Stock
Option
(right to
buy)

\$ 17.36

03/19/2007

M

4,000 ⁽²⁾

⁽³⁾

12/03/2012

Common
Stock

4,000

Employee
Stock
Option
(right to
buy)

\$ 17.36

03/21/2007

M

140,000
⁽²⁾

⁽³⁾

12/03/2012

Common
Stock

140,000
⁽²⁾

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
CARROLL LOREN K PO BOX 60068 HOUSTON, TX 77205		X		

Signatures

Loren K. Carroll 03/21/2007

 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) This option was previously reported as covering 117,000 shares at an exercise price of \$34.73 per share, but was adjusted to reflect the stock split on Aug. 24, 2005.
- (2) On Aug. 24, 2005, the common stock of Smith International split 2-for-1, resulting in the reporting person's acquisition of 117,000 additional shares of common stock.
- (3) The option vested in four equal annual installments on Dec. 3, 2003, Dec. 3, 2004, Dec. 3, 2005 and Dec. 3, 2006.

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.