

SMITH INTERNATIONAL INC
 Form 4
 September 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)
 09/19/2007

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	09/19/2007		M		90,000	A	\$ 17.36 249,733	D
Common Stock	09/19/2007		M		10,000	A	\$ 19.41 259,733	D
Common Stock	09/19/2007		S		99,700	D	\$ 71 160,033	D
Common Stock	09/19/2007		S		300	D	\$ 71.01 159,733	D
Common Stock	09/20/2007		M		140,000	A	\$ 19.41 299,733	D

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Common Stock	09/20/2007	M	18,000	A	\$ 28.13	317,733	D
Common Stock	09/20/2007	S	50,700	D	\$ 72	267,033	D
Common Stock	09/20/2007	S	600	D	\$ 72.0006	266,433	D
Common Stock	09/20/2007	S	10,000	D	\$ 72.0009	256,433	D
Common Stock	09/20/2007	S	2,000	D	\$ 72.001	254,433	D
Common Stock	09/20/2007	S	2,500	D	\$ 72.0012	251,933	D
Common Stock	09/20/2007	S	5,000	D	\$ 72.0018	246,933	D
Common Stock	09/20/2007	S	7,700	D	\$ 72.0019	239,233	D
Common Stock	09/20/2007	S	100	D	\$ 72.01	239,133	D
Common Stock	09/20/2007	S	2,000	D	\$ 72.014	237,133	D
Common Stock	09/20/2007	S	5,000	D	\$ 72.0236	232,133	D
Common Stock	09/20/2007	S	2,500	D	\$ 72.0336	229,633	D
Common Stock	09/20/2007	S	57,000	D	\$ 72.0498	172,633	D
Common Stock	09/20/2007	S	4,900	D	\$ 72.0506	167,733	D
Common Stock	09/20/2007	S	5,000	D	\$ 72.055	162,733	D
Common Stock	09/20/2007	S	3,000	D	\$ 72.0593	159,733	D

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)

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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	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)	\$ 17.36	09/19/2007		M		90,000		<u>(1)</u>	12/03/2012	Common Stock	90,000
Employee Stock Option (right to buy)	\$ 19.41	09/19/2007		M		10,000		12/02/2004	12/02/2013	Common Stock	10,000
Employee Stock Option (right to buy)	\$ 19.41	09/20/2007		M		140,000		<u>(2)</u>	12/02/2013	Common Stock	140,000
Employee Stock Option (right to buy)	\$ 28.13	09/20/2007		M		18,000		<u>(3)</u>	12/07/2014	Common Stock	18,000

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 09/21/2007
 **Signature of Date
 Reporting Person

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).

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- (1) The option vested in two installments; 31,500 shares on Dec. 3, 2005 and 58,500 shares on Dec. 3, 2006.
- (2) The option vested in three installments; 40,000 shares on Dec. 2, 2004, 50,000 shares on Dec. 2, 2005 and 50,000 shares on Dec. 2, 2006.
- (3) The option vested in equal installments on Dec. 7, 2005 and Dec. 7, 2006.

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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