

SMITH INTERNATIONAL INC

Form 4

September 06, 2007

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

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

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
KENNEDY JOHN J

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)
09/04/2007

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

President & CEO Wilson

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	09/04/2007		M		8,000	A	\$ 28.13	47,148 D
Common Stock	09/04/2007		M		45,000	A	\$ 19.41	92,148 D
Common Stock	09/04/2007		M		52,000	A	\$ 17.36	144,148 D
Common Stock	09/04/2007		M		31,000	A	\$ 11.75	175,148 D
Common Stock	09/04/2007		S		19,000	D	\$ 68	156,148 D

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Common Stock	09/04/2007	S	100	D	\$ 68.01	156,048	D
Common Stock	09/04/2007	S	500	D	\$ 68.02	155,548	D
Common Stock	09/04/2007	S	1,900	D	\$ 68.03	153,648	D
Common Stock	09/04/2007	S	800	D	\$ 68.04	152,848	D
Common Stock	09/04/2007	S	400	D	\$ 68.05	152,448	D
Common Stock	09/04/2007	S	200	D	\$ 68.06	152,248	D
Common Stock	09/04/2007	S	700	D	\$ 68.07	151,548	D
Common Stock	09/04/2007	S	2,000	D	\$ 68.08	149,548	D
Common Stock	09/04/2007	S	352	D	\$ 68.09	149,196	D
Common Stock	09/04/2007	S	48	D	\$ 68.1	149,148	D
Common Stock	09/04/2007	S	15,300	D	\$ 68.11	133,848	D
Common Stock	09/04/2007	S	200	D	\$ 68.12	133,648	D
Common Stock	09/04/2007	S	1,700	D	\$ 68.13	131,948	D
Common Stock	09/04/2007	S	2,900	D	\$ 68.14	129,048	D
Common Stock	09/04/2007	S	1,366	D	\$ 68.15	127,682	D
Common Stock	09/04/2007	S	5,000	D	\$ 68.16	122,682	D
Common Stock	09/04/2007	S	4,234	D	\$ 68.17	118,448	D
Common Stock	09/04/2007	S	4,666	D	\$ 68.18	113,782	D
Common Stock	09/04/2007	S	1,934	D	\$ 68.19	111,848	D
Common Stock	09/04/2007	S	2,200	D	\$ 68.2	109,648	D
	09/04/2007	S	5,700	D		103,948	D

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Common Stock						\$ 68.21		
Common Stock	09/04/2007		S	3,712	D	\$ 68.22	100,236	D
Common Stock	09/04/2007		S	2,400	D	\$ 68.23	97,836	D
Common Stock	09/04/2007		S	5,488	D	\$ 68.24	92,348	D
Common Stock	09/04/2007		S	1,100	D	\$ 68.25	91,248	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)

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 or Number of Shares
Employee Stock Option (right to buy)	\$ 28.13	09/04/2007		M		8,000		<u>(1)</u>	12/07/2014	Common Stock	8,000
Employee Stock Option (right to buy)	\$ 19.41	09/04/2007		M		45,000		<u>(2)</u>	12/02/2013	Common Stock	45,000
Employee Stock Option (right to buy)	\$ 17.36	09/04/2007		M		52,000		<u>(3)</u>	12/03/2012	Common Stock	52,000
	\$ 11.75	09/04/2007		M		31,000		12/04/2005	12/04/2011		31,000

Employee
Stock
Option
(right to
buy)

Common
Stock

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
KENNEDY JOHN J PO BOX 60068 HOUSTON, TX 77205			President & CEO Wilson	

Signatures

John J. Kennedy 09/06/2007

__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 option vested in equal installments on Dec. 7, 2005 and Dec. 7, 2006.
- (2) The option vested in equal installments on Dec. 2, 2005 and Dec. 2, 2006.
- (3) The option vested in equal installments on Dec. 3, 2005 and Dec. 3, 2006.

Remarks:

This report is number one of two. Table I rows 1-30 are included on this first report. Table I rows 31-45 are included on the second report.

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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