

SMITH INTERNATIONAL INC
 Form 4
 December 14, 2006

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 *
 Anderson Malcolm Wilkins

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)
 PO BOX 60068
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
 12/13/2006

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
 Vice President Human Resources

HOUSTON, TX 77205

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 (A) or (D) Price			
Common Stock	12/13/2006		M	4,700 A \$ 28.13	14,321	D	
Common Stock	12/13/2006		M	6,000 A \$ 26.52	20,321	D	
Common Stock	12/13/2006		S	10,700 D \$ 43.75	9,621	D	
Common Stock					1,169	I	By 401(k) Plan

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.

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
Employee Stock Option (right to buy)	\$ 28.13 <u>(1)</u>	12/13/2006		M	4,700 <u>(1)</u>	<u>(2)</u> 12/07/2014	Common Stock	4,700 <u>(1)</u>
Employee Stock Option (right to buy)	\$ 26.52 <u>(3)</u>	12/13/2006		M	6,000 <u>(3)</u>	<u>(4)</u> 05/05/2014	Common Stock	6,000 <u>(3)</u>

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Anderson Malcolm Wilkins PO BOX 60068 HOUSTON, TX 77205			Vice President Human Resources	

Signatures

Malcolm Wilkins
Anderson 12/14/2006

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 4,700 shares at an exercise price of \$56.26 per share, but was adjusted to reflect the stock split on Aug. 24, 2005.
- (2) The option vests in four equal annual installments on Dec. 7, 2005, Dec. 7, 2006, Dec. 7, 2007 and Dec. 7, 2008.
- (3) This option was previously reported as covering 6,000 shares at an exercise price of \$53.05 per share, but was adjusted to reflect the stock split on Aug. 24, 2005.
- (4) The option vests in four equal annual installments on May 5, 2005, May 5, 2006, May 5, 2007 and May 5, 2008.

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.