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

(Last) (First) (Middle)

PO BOX 60068

(Street)

HOUSTON, TX 77205

(City) (State) (Zip)

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

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

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

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	186,733	D	
Common Stock	03/19/2007		M		69,000	A	$ 11.75	255,733	D	
Common Stock	03/19/2007		M		4,000	A	$ 17.36	259,733 (1)	D	
Common Stock	03/19/2007		S		27,000	D	$ 45	232,733	D	
Common Stock	03/19/2007		S		17,500	D	$ 45.01	215,233	D	

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.

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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 c Underlying Securities (Instr. 3 and 4)	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amoun Numbe Shares
Employee Stock Option (right to buy)	$ 17.26	03/19/2007		M			27,000	12/03/2001	12/03/2007	Common Stock	27,00
	$ 11.75	03/19/2007		M			69,000	12/04/2005	12/04/2011		69,00

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	140,0 (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.
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