

Pearce Michael D
 Form 4
 December 06, 2005

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 *
 Pearce Michael D

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)
 12/05/2005

____ Director
 Officer (give title below)
 ____ 10% Owner
 ____ Other (specify below)
 President Smith Technologies

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 Ownership (Instr. 4) |
|---------------------------------|--------------------------------------|--|--------------------------------|---|---|--|--|
| | | | Code | V | Amount or Price (A) or (D) | | |
| Common Stock | 12/05/2005 | | M | | 7,500 A \$ 19.41 | 9,902 ⁽¹⁾ ⁽²⁾ | D |
| Common Stock | 12/05/2005 | | M | | 9,000 A \$ 17.36 | 18,902 ⁽³⁾ | D |
| Common Stock | 12/05/2005 | | M | | 9,628 A \$ 11.75 | 28,530 ⁽⁴⁾ | D |
| Common Stock | 12/05/2005 | | S | | 5,000 D \$ 39.19 | 23,530 | D |
| Common Stock | 12/05/2005 | | S | | 700 D \$ 39.2 | 22,830 | D |

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| | | | | | | | |
|--------------|------------|---|--------|---|----------|--------|---|
| Common Stock | 12/05/2005 | S | 428 | D | \$ 39.22 | 22,402 | D |
| Common Stock | 12/05/2005 | S | 8,000 | D | \$ 39.25 | 14,402 | D |
| Common Stock | 12/05/2005 | S | 10,000 | D | \$ 39.27 | 4,402 | D |
| Common Stock | 12/05/2005 | S | 2,000 | D | \$ 39.28 | 2,402 | 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 or Number of Shares |
| Employee Stock Option (right to buy) | \$ 19.41 | 12/05/2005 | | M | 7,500 (5) | 12/02/2005 | 12/02/2013 | Common Stock | 7,500 (5) |
| Employee Stock Option (right to buy) | \$ 17.36 | 12/05/2005 | | M | 9,000 (6) | 12/03/2005 | 12/03/2012 | Common Stock | 9,000 (6) |
| Employee Stock Option (right to buy) | \$ 11.75 | 12/05/2005 | | M | 9,628 (7) | 12/04/2005 | 12/04/2011 | Common Stock | 9,628 (7) |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|---|---------------|-----------|------------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| Pearce Michael D PO BOX 60068 HOUSTON, TX 77205 | | | President Smith Technologies | |

Signatures

Michael D.
Pearce

12/05/2005

 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) On Aug. 24, 2005, the common stock of Smith International split 2-for-1, resulting in the reporting person's acquisition of 1,201 additional shares of common stock.
- (2) This option was previously reported as covering 15,000 shares at an exercise price of \$38.82 per share, but was adjusted to reflect the stock split on Aug. 24, 2005.
- (3) This option was previously reported as covering 18,000 shares at an exercise price of \$34.73 per share, but was adjusted to reflect the stock split on Aug. 24, 2005.
- (4) This option was previously reported as covering 19,260 shares at an exercise price of \$23.50 per share, but was adjusted to reflect the stock split on Aug. 24, 2005.
- (5) On Aug. 24, 2005, the common stock of Smith International split 2-for-1, resulting in the reporting person's acquisition of 11,250 additional shares of common stock.
- (6) On Aug. 24, 2005, the common stock of Smith International split 2-for-1, resulting in the reporting person's acquisition of 9,000 additional shares of common stock.
- (7) On Aug. 24, 2005, the common stock of Smith International split 2-for-1, resulting in the reporting person's acquisition of 4,814 additional shares of common stock.

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.