

SMITH INTERNATIONAL INC

Form 4

March 28, 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

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Chandler Richard E Jr

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)
03/26/2007

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

PO BOX 60068

SVP, General Counsel & Sec

(Street)

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

6. Individual or Joint/Group Filing(Check
Applicable Line)
____X____ 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)
Common Stock	03/26/2007		M	900 A	\$ 28.13	25,961	D
Common Stock	03/26/2007		M	4,500 A	\$ 19.41	30,461	D
Common Stock	03/26/2007		M	5,500 A	\$ 17.36	35,961	D
Common Stock	03/26/2007		M	2,890 A	\$ 11.75	38,851	D
Common Stock	03/26/2007		S	10,290 D	\$ 48.15	28,561	D

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Common Stock	03/26/2007	S	400	D	\$ 48.16	28,161	D	
Common Stock	03/26/2007	S	700	D	\$ 48.17	27,461	D	
Common Stock	03/26/2007	S	2,400	D	\$ 48.18	25,061	D	
Common Stock						3,914 ⁽¹⁾	I	By 401(k) Plan

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)	Amount or Number of Shares
				Code	V (A) (D)	Date Exercisable Expiration Date	Title	
Employee Stock Option (right to buy)	\$ 28.13	03/26/2007		M	900	12/07/2006 12/07/2014	Common Stock	900
Employee Stock Option (right to buy)	\$ 19.41	03/26/2007		M	4,500	12/02/2006 12/02/2013	Common Stock	4,500
Employee Stock Option (right to buy)	\$ 17.36	03/26/2007		M	5,500	12/03/2006 12/03/2012	Common Stock	5,500
Employee Stock	\$ 11.75	03/26/2007		M	2,890	12/04/2005 12/04/2011	Common Stock	2,890

Option
(right to
buy)

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Chandler Richard E Jr PO BOX 60068 HOUSTON, TX 77205			SVP, General Counsel & Sec	

Signatures

Richard E.
Chandler, Jr. 03/27/2007

 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) Based on a plan statement dated as of Dec. 31, 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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