

SMITH INTERNATIONAL INC

Form 4

September 10, 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 *
DORMAN MARGARET K

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)
09/06/2007

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

Sr. VP, CFO & Treasurer

PO BOX 60068

(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)
			Code	V	Amount	(A) or (D)	Price
Common Stock	09/06/2007		M		52,000	A	\$ 17.36
Common Stock	09/06/2007		S		13,100	D	\$ 69.2
Common Stock	09/06/2007		S		33,400	D	\$ 69.45
Common Stock	09/06/2007		S		300	D	\$ 69.46
Common Stock	09/06/2007		S		200	D	\$ 69.47

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Common Stock	09/06/2007	S	800	D	\$ 69.48	43,358	D	
Common Stock	09/06/2007	S	100	D	\$ 69.5	43,258	D	
Common Stock	09/06/2007	S	150	D	\$ 69.51	43,108	D	
Common Stock	09/06/2007	S	550	D	\$ 69.52	42,558	D	
Common Stock	09/06/2007	S	100	D	\$ 69.53	42,458	D	
Common Stock	09/06/2007	S	100	D	\$ 69.54	42,358	D	
Common Stock	09/06/2007	S	1,100	D	\$ 69.55	41,258	D	
Common Stock	09/06/2007	S	1,400	D	\$ 69.56	39,858	D	
Common Stock	09/06/2007	S	700	D	\$ 69.57	39,158	D	
Common Stock						5,313 ⁽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)
				Code	V (A) (D)	Date Exercisable Expiration Date	Title Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 17.36	09/06/2007		M	52,000	⁽²⁾ 12/03/2012	Common Stock 52,000

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
DORMAN MARGARET K PO BOX 60068 HOUSTON, TX 77205			Sr. VP, CFO & Treasurer	

Signatures

Margaret K.
 Dorman

09/10/2007

__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 June 30, 2007.
- (2) The option vested in equal installments on Dec. 3, 2004 and Dec. 3, 2005.

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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