

SMITH INTERNATIONAL INC

Form 4

December 14, 2006

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

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(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)

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

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

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 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.

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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)	8. Amount or Number of Shares
Employee Stock Option (right to buy)	\$ 28.13 (1)	12/13/2006		M	4,700 (1)	(2) 12/07/2014	Common Stock	4,700 (1)
Employee Stock Option (right to buy)	\$ 26.52 (3)	12/13/2006		M	6,000 (3)	(4) 05/05/2014	Common Stock	6,000 (3)

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.

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