

SMITH INTERNATIONAL INC

Form 4

December 18, 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

OMB
Number: 3235-0287
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(Print or Type Responses)

1. Name and Address of Reporting Person *
ROCK DOUGLAS L

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)
12/14/2006

☐ Director ☐ 10% Owner
☒ Officer (give title below) ☐ Other (specify below)
COB, CEO, President & COO

PO BOX 60068

(Street)

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

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 Ownership Indirect Beneficial Ownership (Instr. 4)
Common Stock	12/14/2006		M	315,000	A \$ 19.41	844,172	D
Common Stock	12/14/2006		M	100,000	A \$ 17.36	944,172	D
Common Stock	12/14/2006		S	400	D \$ 44.16	943,772	D
Common Stock	12/14/2006		S	800	D \$ 44.15	942,972	D
Common Stock	12/14/2006		S	1,400	D \$ 44.14	941,572	D

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Common Stock	12/14/2006	S	5,900	D	\$ 44.13	935,672	D
Common Stock	12/14/2006	S	3,200	D	\$ 44.12	932,472	D
Common Stock	12/14/2006	S	7,100	D	\$ 44.11	925,372	D
Common Stock	12/14/2006	S	12,500	D	\$ 44.1	912,872	D
Common Stock	12/14/2006	S	21,100	D	\$ 44.09	891,772	D
Common Stock	12/14/2006	S	8,200	D	\$ 44.08	883,572	D
Common Stock	12/14/2006	S	12,300	D	\$ 44.07	871,272	D
Common Stock	12/14/2006	S	9,200	D	\$ 44.06	862,072	D
Common Stock	12/14/2006	S	6,700	D	\$ 44.05	855,372	D
Common Stock	12/14/2006	S	15,000	D	\$ 44.04	840,372	D
Common Stock	12/14/2006	S	26,600	D	\$ 44.03	813,772	D
Common Stock	12/14/2006	S	20,700	D	\$ 44.02	793,072	D
Common Stock	12/14/2006	S	13,800	D	\$ 44.01	779,272	D
Common Stock	12/14/2006	S	150,100	D	\$ 44	629,172	D
Common Stock	12/15/2006	M	145,400	A	\$ 17.36	774,572	D
Common Stock	12/15/2006	S	1,500	D	\$ 44.09	773,072	D
Common Stock	12/15/2006	S	400	D	\$ 44.08	772,672	D
Common Stock	12/15/2006	S	3,100	D	\$ 44.07	769,572	D
Common Stock	12/15/2006	S	1,000	D	\$ 44.06	768,572	D
Common Stock	12/15/2006	S	4,000	D	\$ 44.05	764,572	D
	12/15/2006	S	9,200	D		755,372	D

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Common Stock					\$ 44.04		
Common Stock	12/15/2006	S	19,200	D	\$ 44.03	736,172	D
Common Stock	12/15/2006	S	6,200	D	\$ 44.02	729,972	D
Common Stock	12/15/2006	S	5,600	D	\$ 44.01	724,372	D
Common Stock	12/15/2006	S	95,200	D	\$ 44	629,172	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(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 Number Shares
Employee Stock Option (right to buy)	\$ 17.36	12/14/2006		M	100,000	(2) 12/03/2012	Common Stock 100,000
Employee Stock Option (right to buy)	\$ 19.41 (3)	12/14/2006		M	315,000 (3)	(1) 12/02/2013	Common Stock 315,000 (3)
Employee Stock Option (right to buy)	\$ 17.36	12/15/2006		M	145,400	(2) 12/03/2012	Common Stock 145,400

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ROCK DOUGLAS L PO BOX 60068 HOUSTON, TX 77205	X		COB, CEO, President & COO	

Signatures

Douglas L. Rock 12/18/2006

Signature of Date
Reporting Person

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) The option vests in four equal annual installments on Dec. 2, 2004, Dec. 2, 2005, Dec. 2, 2006 and Dec. 2, 2007.
- (2) The option vests in four equal annual installments on Dec. 3, 2003, Dec. 3, 2004, Dec. 3, 2005 and Dec. 3, 2006.
- (3) This option was previously reported as covering 210,000 shares at an exercise price of \$38.82 per share, but was adjusted to reflect the stock split on Aug. 24, 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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