

SMITH INTERNATIONAL INC
 Form 4
 December 18, 2006

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 *
 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)
 PO BOX 60068
 (Street)

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

HOUSTON, TX 77205
 (City) (State) (Zip)

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

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 (Instr. 4)
			Code	V	Amount or Price		
Common Stock	12/14/2006		M		\$ 315,000 19.41	844,172	D
Common Stock	12/14/2006		M		\$ 100,000 17.36	944,172	D
Common Stock	12/14/2006		S		\$ 400 44.16	943,772	D
Common Stock	12/14/2006		S		\$ 800 44.15	942,972	D
Common Stock	12/14/2006		S		\$ 1,400 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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(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	<u>(2)</u>	12/03/2012	Common Stock	100,000
Employee Stock Option (right to buy)	\$ 19.41 <u>(3)</u>	12/14/2006		M	315,000 <u>(3)</u>	<u>(1)</u>	12/02/2013	Common Stock	315,000 <u>(3)</u>
Employee Stock Option (right to buy)	\$ 17.36	12/15/2006		M	145,400	<u>(2)</u>	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. 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.