

Pearce Michael D  
 Form 4  
 December 13, 2007

**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 \*  
 Pearce Michael D

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)  
 12/11/2007

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 President Smith Technologies

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 Indirect Ownership (Instr. 4)
			Code	V	Amount or Price		
Common Stock	12/11/2007		S		8,990	D	
Common Stock	12/11/2007		M		\$ 28.27	D	
Common Stock	12/11/2007		M		\$ 28.13	D	
Common Stock	12/11/2007		M		\$ 19.41	D	
Common Stock	12/11/2007		S		\$ 68.48	D	

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Common Stock	12/11/2007	S	788	D	\$ 68.47	23,280	D
Common Stock	12/11/2007	S	400	D	\$ 68.46	22,880	D
Common Stock	12/11/2007	S	400	D	\$ 68.45	22,480	D
Common Stock	12/11/2007	S	1,300	D	\$ 68.44	21,180	D
Common Stock	12/11/2007	S	600	D	\$ 68.42	20,580	D
Common Stock	12/11/2007	S	700	D	\$ 68.41	19,880	D
Common Stock	12/11/2007	S	11,000	D	\$ 68.4	8,880	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)	Amount or Number of Shares	
				Code	V (A) (D)	Date Exercisable	Expiration Date	Title	
Employee Stock Option (right to buy)	\$ 28.27	12/11/2007		M	3,500	<u>(1)</u>	05/16/2015	Common Stock	3,500
Employee Stock Option (right to buy)	\$ 28.13	12/11/2007		M	4,206	<u>(2)</u>	12/07/2014	Common Stock	4,206

Employee Stock Option (right to buy)	\$ 19.41	12/11/2007	M	7,500	12/02/2007	12/02/2013	Common Stock	7,500
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## Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
Pearce Michael D PO BOX 60068 HOUSTON, TX 77205			President Smith Technologies	

## Signatures

Michael D. Pearce	12/11/2007
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\*\*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) The option became exercisable in equal installments on May 16, 2006 and May 16, 2007.
  - (2) The option became exercisable in equal installments on Dec. 7, 2005, Dec. 7, 2006 and Dec. 7, 2007.

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.