

SMITH INTERNATIONAL INC  
 Form 4  
 March 28, 2007

**FORM 4**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
 Washington, D.C. 20549**

OMB APPROVAL

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**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 \*  
 Chandler Richard E Jr

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)  
 03/26/2007

\_\_\_\_ Director \_\_\_\_\_ 10% Owner  
 Officer (give title below) \_\_\_\_\_ Other (specify below)  
 SVP, General Counsel & Sec

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 Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price
Common Stock	03/26/2007		M		900	A	\$ 28.13
Common Stock	03/26/2007		M		4,500	A	\$ 19.41
Common Stock	03/26/2007		M		5,500	A	\$ 17.36
Common Stock	03/26/2007		M		2,890	A	\$ 11.75
Common Stock	03/26/2007		S		10,290	D	\$ 48.15

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Common Stock	03/26/2007	S	400	D	\$ 48.16	28,161	D	
Common Stock	03/26/2007	S	700	D	\$ 48.17	27,461	D	
Common Stock	03/26/2007	S	2,400	D	\$ 48.18	25,061	D	
Common Stock						3,914 <sup>(1)</sup>	I	By 401(k) Plan

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

**Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

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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)	\$ 28.13	03/26/2007		M	900	12/07/2006 12/07/2014	Common Stock	900	
Employee Stock Option (right to buy)	\$ 19.41	03/26/2007		M	4,500	12/02/2006 12/02/2013	Common Stock	4,500	
Employee Stock Option (right to buy)	\$ 17.36	03/26/2007		M	5,500	12/03/2006 12/03/2012	Common Stock	5,500	
Employee Stock	\$ 11.75	03/26/2007		M	2,890	12/04/2005 12/04/2011	Common Stock	2,890	

