

SMITH INTERNATIONAL INC

Form 4

August 31, 2010

**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  
Expires: January 31,  
2005  
Estimated average  
burden hours per  
response... 0.5

(Print or Type Responses)

1. Name and Address of Reporting Person \*  
**KENNEDY JOHN J**

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)  
**08/27/2010**

\_\_\_\_ Director \_\_\_\_ 10% Owner  
\_\_\_\_X\_\_\_\_ Officer (give title \_\_\_\_ Other (specify  
below) below)

President &amp; CEO Wilson

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<br>Security<br>(Instr. 3) | 2. Transaction Date<br>(Month/Day/Year) | 2A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 3. Transaction<br>Code<br>(Instr. 8) | 4. Securities Acquired<br>(A) or Disposed of<br>(D)<br>(Instr. 3, 4 and 5) | 5. Amount of<br>Securities<br>Beneficially<br>Owned<br>Following<br>Reported<br>Transaction(s)<br>(Instr. 3 and 4) | 6. Ownership<br>Form: Direct<br>(D) or<br>Indirect (I)<br>(Instr. 4) | 7. Nature of<br>Indirect<br>Beneficial<br>Ownership<br>(Instr. 4) |
|---------------------------------------|---|---|--------------------------------------|--|--|--|---|
| Common<br>Stock                       | 08/27/2010                              |   | D                                    | 93,147 D   | \$ 0<br>(1)  | 0  | D   |

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.**

SEC 1474  
(9-02)

**Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned  
(e.g., puts, calls, warrants, options, convertible securities)**

# Edgar Filing: SMITH INTERNATIONAL INC - Form 4

| 1. Title of<br>Derivative<br>Security<br>(Instr. 3) | 2.<br>Conversion<br>or Exercise<br>Price of<br>Derivative<br>Security | 3. Transaction Date<br>(Month/Day/Year) | 3A. Deemed<br>Execution Date, if<br>any<br>(Month/Day/Year) | 4.<br>Transaction<br>Code<br>(Instr. 8) | 5. Number of<br>Derivative<br>Securities<br>Acquired (A)<br>or Disposed of<br>(D)<br>(Instr. 3, 4,<br>and 5) | 6. Date Exercisable and<br>Expiration Date<br>(Month/Day/Year) | 7. Title and Amount of<br>Underlying Securities<br>(Instr. 3 and 4) | Amount<br>or<br>Number<br>of Shares |
|---|---|---|---|---|--|--|---|-------------------------------------|
| Employee<br>Stock<br>Option<br>(right to<br>buy)    | \$ 28.13<br>(2)   | 08/27/2010                              |   | D                                       | 8,000<br>(2)   | (2) 12/07/2014   | Common<br>Stock   | 8,000<br>(2)                        |
| Employee<br>Stock<br>Option<br>(right to<br>buy)    | \$ 19.41<br>(3)   | 08/27/2010                              |   | D                                       | 22,500<br>(3)  | 12/02/2007 12/22/2013  | Common<br>Stock   | 22,500<br>(3)                       |

## Reporting Owners

| Reporting Owner Name / Address                      | Relationships                    |
|---|----------------------------------|
|   | Director 10% Owner Officer Other |
| KENNEDY JOHN J<br>PO BOX 60068<br>HOUSTON, TX 77205 | President & CEO Wilson           |

## Signatures

/s/ Cay D. Price,  
Atty-in-Fact 08/30/2010

\_\_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) Disposed of pursuant to the Agreement and Plan of Merger dated as of February 21, 2010, by and among Schlumberger Limited ("Schlumberger"), Turnberry Merger Sub Inc., and Smith International, Inc. ("Smith"), in exchange for .6966 shares of Schlumberger common stock per share of Smith common stock on August 27, 2010. Any fractional share will be paid in cash.
- (2) This option, which provided for vesting in equal installments on Dec. 7, 2007 and Dec. 7, 2008, was converted pursuant to the Merger Agreement into an option to purchase 5,572 shares of Schlumberger common stock at \$40.39 per share, with the same terms and conditions as the original Smith option.
- (3) This option was converted pursuant to the Merger Agreement into an option to purchase 15,673 shares of Schlumberger common stock at \$27.87 per share, with the same terms and conditions as the original Smith option.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

## Edgar Filing: SMITH INTERNATIONAL INC - Form 4

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.