SMITH INTERNATIONAL INC
Form 4
January 31, 2003

OMB APPROVAL
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 4

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP

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

o Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. See Instruction 1(b)

1. Name and Address of Reporting Person* *(Last, First, Middle)*

KENNEDY, JOHN J.

411 N. Sam Houston Pkwy., Ste. 600

(Street)

Houston, TX 77060

(City) *(State)* *(Zip)*

2. Issuer Name and Ticker or Trading Symbol

SMITH INTERNATIONAL, INC. (SII)

3. I.R.S. Identification Number of Reporting Person, if an entity *(Voluntary)*

4. Statement for *(Month/Day/Year)*

January 29, 2003

5. If Amendment, Date of Original *(Month/Day/Year)*

6. Relationship of Reporting Person(s) to Issuer *(Check All Applicable)*

o Director o 10% Owner

x Officer *(give title below)*

o Other *(specify below)*

President, Wilson Supply

7. Individual or Joint/Group Filing *(Check Applicable Line)*

x Form filed by One Reporting Person

o Form filed by More than One Reporting Person

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

* If the form is filed by more than one reporting person, *see* instruction 4(b)(v).

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 Transactions(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**			

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)*	
					Code	V (A)(D)
Employee Stock Option (right to buy)	$34.73	1/29/03		A	52,000	

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

6. Date Exercisable and Expiration Date *(Month/Day/Year)*		7. Title and Amount of Underlying Securities *(Instr. 3 and 4)*		8. Price of Derivative Security *(Instr. 5)*	9. Number of Derivative Securities Beneficially Owned Following Reported Transaction(s) *(Instr. 4)*	10. Ownership Form of Derivative Security: Direct (D) or Indirect (I) *(Instr. 4)*	11. Nature of Indirect Beneficial Ownership *(Instr. 4)*
Date Exercisable	**Expiration Date**	**Title**	**Amount or Number of Shares**				
(1)	12/3/2012	Common Stock	52,000		52,000	D	

Explanation of Responses:

(1) The option becomes exercisable in four equal annual installments of 13,000 shares each, beginning on December 3, 2003.

/s/ JOHN J. KENNEDY Jan. 29, 2003

Date

**Signature of Reporting Person

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

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