

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), and 6058(a) of the Internal Revenue Code (the Code). <p style="text-align: center;">▶ Complete all entries in accordance with the instructions to the Form 5500.</p>	OMB Nos. 1210-0110 1210-0089 2009 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>	
A This return/report is for:	☐ a multiemployer plan; ☐ a multiple-employer plan; or ☒ a single-employer plan; ☐ a DFE (specify) ____
B This return/report is:	☐ the first return/report; ☐ the final return/report; ☐ an amended return/report; ☐ a short plan year return/report (less than 12 months).
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558; ☐ automatic extension; ☐ the DFVC program; ☐ special extension (enter description)

Part II	Basic Plan Information —enter all requested information				
1a Name of plan <u>SMITH INTERNATIONAL, INC. RESTATED PENSION PLAN</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 80%;">1b Three-digit plan number (PN) ▶</td> <td style="width: 20%; text-align: center;"><u>012</u></td> </tr> <tr> <td colspan="2">1c Effective date of plan <u>09/01/1985</u></td> </tr> </table>	1b Three-digit plan number (PN) ▶	<u>012</u>	1c Effective date of plan <u>09/01/1985</u>	
1b Three-digit plan number (PN) ▶	<u>012</u>				
1c Effective date of plan <u>09/01/1985</u>					
2a Plan sponsor's name and address (employer, if for a single-employer plan) (Address should include room or suite no.) <u>SMITH INTERNATIONAL, INC.</u> <u>1310 RANKIN RD</u> <u>HOUSTON, TX 77073</u>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td>2b Employer Identification Number (EIN) <u>95-3822631</u></td> </tr> <tr> <td>2c Sponsor's telephone number <u>281-443-3370</u></td> </tr> <tr> <td>2d Business code (see instructions) <u>211110</u></td> </tr> </table>	2b Employer Identification Number (EIN) <u>95-3822631</u>	2c Sponsor's telephone number <u>281-443-3370</u>	2d Business code (see instructions) <u>211110</u>	
2b Employer Identification Number (EIN) <u>95-3822631</u>					
2c Sponsor's telephone number <u>281-443-3370</u>					
2d Business code (see instructions) <u>211110</u>					

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/15/2010	LISA BARTLEY
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/14/2010	BRIAN TAYLOR
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Form 5500 (2009)
v.092307.1

3a Plan administrator's name and address (if same as plan sponsor, enter "Same") SMITH INTERNATIONAL, INC. 1310 RANKIN RD HOUSTON, TX 77073	3b Administrator's EIN 95-3822631 3c Administrator's telephone number 281-443-3370
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4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report: a Sponsor's name	4b EIN 4c PN
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5 Total number of participants at the beginning of the plan year	5	2030
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6 Number of participants as of the end of the plan year (welfare plans complete only lines 6a , 6b , 6c , and 6d).		
a Active participants.....	6a	165
b Retired or separated participants receiving benefits.....	6b	627
c Other retired or separated participants entitled to future benefits.....	6c	1126
d Subtotal. Add lines 6a , 6b , and 6c	6d	1918
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.....	6e	100
f Total. Add lines 6d and 6e	6f	2018
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....	6g	0
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested.....	6h	0

7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	7	
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8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristic Codes in the instructions:
 1A 1G 1I

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristic Codes in the instructions:

9a Plan funding arrangement (check all that apply)	9b Plan benefit arrangement (check all that apply)
(1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor	(1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

- (1) ☒ **R** (Retirement Plan Information)
 (2) ☐ **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary
 (3) ☒ **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

- (1) ☒ **H** (Financial Information)
 (2) ☐ **I** (Financial Information – Small Plan)
 (3) ☐ **A** (Insurance Information)
 (4) ☒ **C** (Service Provider Information)
 (5) ☒ **D** (DFE/Participating Plan Information)
 (6) ☐ **G** (Financial Transaction Schedules)

SCHEDULE SB (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Single-Employer Defined Benefit Plan Actuarial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500 or 5500-SF.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**

▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan <u>SMITH INTERNATIONAL, INC. RESTATED PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>012</u>
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF <u>SMITH INTERNATIONAL, INC.</u>	D Employer Identification Number (EIN) <u>95-3822631</u>
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I	Basic Information	
1 Enter the valuation date: Month <u>01</u> Day <u>01</u> Year <u>2009</u>		
2 Assets:		
a Market value	2a <u>10176678</u>	
b Actuarial value	2b <u>11194345</u>	
3 Funding target/participant count breakdown		
	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment	3a <u>612</u>	<u>5514731</u>
b For terminated vested participants	3b <u>1223</u>	<u>6240118</u>
c For active participants:		
(1) Non-vested benefits	3c(1)	<u>546134</u>
(2) Vested benefits	3c(2)	<u>511988</u>
(3) Total active	3c(3) <u>195</u>	<u>1058122</u>
d Total	3d <u>2030</u>	<u>12812971</u>
4 If the plan is at-risk, check the box and complete items (a) and (b)	☐	
a Funding target disregarding prescribed at-risk assumptions	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor	4b	
5 Effective interest rate	5 <u>8.29</u> %	
6 Target normal cost	6 <u>55000</u>	

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>09/27/2010</u>
Signature of actuary	Date
<u>PAUL M. YIM</u>	<u>08-06083</u>
Type or print name of actuary	Most recent enrollment number
<u>HEWITT ASSOCIATES LLC</u>	<u>281-363-0456</u>
Firm name	Telephone number (including area code)
<u>2601 RESEARCH FOREST DRIVE</u> <u>THE WOODLANDS, TX 77381</u>	
Address of the firm	

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Part II Beginning of year carryover and prefunding balances		(a) Carryover balance	(b) Prefunding balance
7	Balance at beginning of prior year after applicable adjustments (Item 13 from prior year)	217527	0
8	Portion used to offset prior year's funding requirement (Item 35 from prior year)	62596	0
9	Amount remaining (Item 7 minus item 8).....	154931	0
10	Interest on item 9 using prior year's actual return of <u>-26.10</u> %	-40437	
11	Prior year's excess contributions to be added to prefunding balance:		
a	Excess contributions (Item 38 from prior year)		60663
b	Interest on (a) using prior year's effective rate of <u>6.07</u> %		-15833
c	Total available at beginning of current plan year to add to prefunding balance		44830
d	Portion of (c) to be added to prefunding balance.....		44830
12	Reduction in balances due to elections or deemed elections.....	0	0
13	Balance at beginning of current year (item 9 + item 10 + item 11d – item 12).....	114494	44830

Part III Funding percentages			
14	Funding target attainment percentage.....	14	86.12 %
15	Adjusted funding target attainment percentage.....	15	86.12 %
16	Prior year's funding percentage for purposes of determining whether carryover/prefunding balances may be used to reduce current year's funding requirement.....	16	88.45 %
17	If the current value of the assets of the plan is less than 70 percent of the funding target, enter such percentage.....	17	%

Part IV Contributions and liquidity shortfalls					
18 Contributions made to the plan for the plan year by employer(s) and employees:					
(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees	(a) Date (MM-DD-YYYY)	(b) Amount paid by employer(s)	(c) Amount paid by employees
04/15/2009	76000				
07/16/2009	78000				
08/13/2010	59214				
Totals ►			18(b)	213214	18(c) 0

19 Discounted employer contributions – see instructions for small plan with a valuation date after the beginning of the year:		
a Contributions allocated toward unpaid minimum required contribution from prior years.....	19a	
b Contributions made to avoid restrictions adjusted to valuation date	19b	
c Contributions allocated toward minimum required contribution for current year adjusted to valuation date.....	19c	201102
20 Quarterly contributions and liquidity shortfalls:		
a Did the plan have a "funding shortfall" for the prior year?	☒ Yes ☐ No	
b If 20a is "Yes," were required quarterly installments for the current year made in a timely manner?	☒ Yes ☐ No	
c If 20a is "Yes," see instructions and complete the following table as applicable:		
Liquidity shortfall as of end of Quarter of this plan year		
(1) 1st	(2) 2nd	(4) 4th
0	0	0

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 2
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.....	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.....	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a).....	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions).....	31	55000
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	1009172	190231
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b – item 33)	34	245231
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	44503	44503
36 Additional cash requirement (item 34 minus item 35).....	36	200728
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (Item 19c).....	37	201102
38 Interest-adjusted excess contributions for current year (see instructions).....	38	374
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37).....	39	0
40 Unpaid minimum required contribution for all years	40	0

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection.
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan SMITH INTERNATIONAL, INC. RESTATED PENSION PLAN		B Three-digit plan number (PN) ▶ 012
C Plan sponsor's name as shown on line 2a of Form 5500 SMITH INTERNATIONAL, INC.		D Employer Identification Number (EIN) 95-3822631

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a** Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☐ Yes ☒ No
- b** If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

COMERICA BANK - TEXAS

38-2702003

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
26 50	NONE	32803	Yes ☐ No ☒	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation

(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III **Termination Information on Accountants and Enrolled Actuaries (see instructions)**
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN;
c Position:	
d Address:	e Telephone:

Explanation:

<div>SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration</div>	<div>DFE/Participating Plan Information</div> <div>This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA).</div> <div>► File as an attachment to Form 5500.</div>	<div>OMB No. 1210-0110</div> <div>2009</div> <div>This Form is Open to Public Inspection.</div>
For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009		
A Name of plan SMITH INTERNATIONAL, INC. RESTATED PENSION PLAN		B Three-digit plan number (PN) ► 012
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 SMITH INTERNATIONAL, INC.		D Employer Identification Number (EIN) 95-3822631
Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)	
a Name of MTIA, CCT, PSA, or 103-12 IE: S&P 500 INDEX FUND		
b Name of sponsor of entity listed in (a): COMERICA BANK - TEXAS		
c EIN-PN 38-6555647-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 5405026
a Name of MTIA, CCT, PSA, or 103-12 IE: BOND INDEX FUND		
b Name of sponsor of entity listed in (a): COMERICA BANK - TEXAS		
c EIN-PN 38-6555716-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 2967530
a Name of MTIA, CCT, PSA, or 103-12 IE: FOREIGN EQUITY INDEX FUND		
b Name of sponsor of entity listed in (a): COMERICA BANK - TEXAS		
c EIN-PN 38-6589861-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1693339
a Name of MTIA, CCT, PSA, or 103-12 IE: COMPLETENESS INDEX FUND		
b Name of sponsor of entity listed in (a): COMERICA BANK - TEXAS		
c EIN-PN 38-6555648-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 544417
a Name of MTIA, CCT, PSA, or 103-12 IE: MEDIUM CAP INDEX FUND		
b Name of sponsor of entity listed in (a): COMERICA BANK - TEXAS		
c EIN-PN 38-6589863-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 492263
a Name of MTIA, CCT, PSA, or 103-12 IE: SMALL CAP INDEX FUND		
b Name of sponsor of entity listed in (a): COMERICA BANK - TEXAS		
c EIN-PN 38-3192888-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 218947
a Name of MTIA, CCT, PSA, or 103-12 IE:		
b Name of sponsor of entity listed in (a):		
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)
For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.		
Schedule D (Form 5500) 2009 v.092308.1		

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110
		2009
		This Form is Open to Public Inspection

For calendar plan year 2009 or fiscal plan year beginning <u>01/01/2009</u> and ending <u>12/31/2009</u>		
A Name of plan <u>SMITH INTERNATIONAL, INC. RESTATED PENSION PLAN</u>	B Three-digit plan number (PN) ►	<u>012</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SMITH INTERNATIONAL, INC.</u>	D Employer Identification Number (EIN) <u>95-3822631</u>	

Part I	Asset and Liability Statement
---------------	--------------------------------------

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)	<u>101375</u>	<u>59214</u>
(2) Participant contributions	1b(2)		
(3) Other.....	1b(3)	<u>329</u>	<u>13</u>
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	<u>441987</u>	<u>539545</u>
(2) U.S. Government securities.....	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other.....	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)		
(9) Value of interest in common/collective trusts.....	1c(9)	<u>9634897</u>	<u>11321522</u>
(10) Value of interest in pooled separate accounts.....	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds).....	1c(13)		
(14) Value of funds held in insurance company general account (unallocated contracts).....	1c(14)		
(15) Other	1c(15)		

1d Employer-related investments:

		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	10178588	11920294

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	10178588	11920294
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income**a Contributions:**

		(a) Amount	(b) Total
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	213214	
(B) Participants	2a(1)(B)		
(C) Others (including rollovers)	2a(1)(C)		
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		213214

b Earnings on investments:**(1) Interest:**

(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	704	
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)		
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		704

(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)		
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		0

(3) Rents	2b(3)		
-----------------	--------------	--	--

(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0

		(a) Amount	(b) Total
2b (5) Unrealized appreciation (depreciation) of assets: (A) Real estate.....	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B).....	2b(5)(C)		0
(6) Net investment gain (loss) from common/collective trusts	2b(6)		2237951
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds).....	2b(10)		
c Other income.....	2c		
d Total income. Add all income amounts in column (b) and enter total.....	2d		2451869

Expenses

e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	694911	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3).....	2e(4)		694911
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions).....	2g		
h Interest expense.....	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)	32803	
(5) Total administrative expenses. Add lines 2i(1) through (4).....	2i(5)		32803
j Total expenses. Add all expense amounts in column (b) and enter total.....	2j		727714

Net Income and Reconciliation

k Net income (loss). Subtract line 2j from line 2d.....	2k		1724155
l Transfers of assets:			
(1) To this plan.....	2l(1)		17551
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☐ Unqualified (2) ☐ Qualified (3) ☒ Disclaimer (4) ☐ Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? ☒ Yes ☐ No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: DELOITTE & TOUCHE LLP

(2) EIN: 13-3891517

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

- 4** CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete 4j and 4l. MTIAs also do not complete 4l.

During the plan year:

	Yes	No	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.).....		X	
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.).....		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.).....		X	
e Was this plan covered by a fidelity bond?.....	X		25000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.).....	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.).....	X		
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?.....		X	
l Has the plan failed to provide any benefit when due under the plan?		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.).....		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			

- 5a** Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If yes, enter the amount of any plan assets that reverted to the employer this year ☐ Yes ☒ No Amount:

- 5b** If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110 2009 This Form is Open to Public Inspection.
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For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

A Name of plan <u>SMITH INTERNATIONAL, INC. RESTATED PENSION PLAN</u>	B Three-digit plan number (PN) ▶ <u>012</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>SMITH INTERNATIONAL, INC.</u>	D Employer Identification Number (EIN) <u>95-3822631</u>

Part I	Distributions
---------------	----------------------

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....	1	<u>0</u>
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): <u>38-2702003</u>		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....	3	<u>3</u>

Part II	Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part)
----------------	--

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)?.....	☒ Yes	☐ No	☐ N/A
If the plan is a defined benefit plan, go to line 8.			
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.			
6 a Enter the minimum required contribution for this plan year	6a		
b Enter the amount contributed by the employer to the plan for this plan year	6b		
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....	6c		
If you completed line 6c, skip lines 8 and 9.			
7 Will the minimum funding amount reported on line 6c be met by the funding deadline?	☐ Yes	☐ No	☒ N/A
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change?.....			
☒ Yes ☐ No ☐ N/A			

Part III	Amendments
-----------------	-------------------

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box(es). If no, check the "No" box.....	☐ Increase	☐ Decrease	☐ Both	☒ No
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Part IV	ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.
----------------	---

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?.....	☐ Yes	☐ No
11 a Does the ESOP hold any preferred stock?	☐ Yes	☐ No
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)	☐ Yes	☐ No
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?	☐ Yes	☐ No

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500.

Schedule R (Form 5500) 2009
v.092308.1

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete items 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

- 14** Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	14a	
b The plan year immediately preceding the current plan year	14b	
c The second preceding plan year	14c	

- 15** Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	15a	
b The corresponding number for the second preceding plan year	15b	

- 16** Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	16a	
b If item 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	16b	

- 17** If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

- 18** If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

- 19** If the total number of participants is 1,000 or more, complete items (a) through (c)

a Enter the percentage of plan assets held as:
 Stock: 70% Investment-Grade Debt: 25% High-Yield Debt: 0% Real Estate: 0% Other: 5%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☒ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate item 19(b)?
☒ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Smith International, Inc.

Restated Pension Plan

Financial Statements as of and for the
Years Ended December 31, 2009 and 2008,
Supplemental Schedules as of and for the
Year Ended December 31, 2009, and
Independent Auditor's Report

SMITH INTERNATIONAL, INC. RESTATED PENSION PLAN

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INDEPENDENT AUDITOR'S REPORT

To the Administrative Committee of the
Smith International, Inc. Restated Pension Plan:

We were engaged to audit the financial statements and supplemental schedules of the Smith International, Inc. Restated Pension Plan (the "Plan") as of December 31, 2009 and 2008, and for the years then ended, listed in the Table of Contents. These financial statements and supplemental schedules are the responsibility of the Administrative Committee.

As permitted by 29 CFR Section 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974, the Administrative Committee instructed us not to perform, and we did not perform, any auditing procedures with respect to the information summarized in Notes 3, 6 and 7, which was certified by Comerica Bank, the trustee of the Plan, except for comparing such information with the related information included in the financial statements and supplemental schedules. We have been informed by the Administrative Committee that the trustee holds the Plan's investment assets and executes investment transactions. The Administrative Committee has obtained certifications from the trustee that the information as of and for the years ended December 31, 2009 and 2008, provided to the Administrative Committee by the trustee is complete and accurate.

Because of the significance of the information that we did not audit, we are unable to express, and we do not express, an opinion on the accompanying financial statements and supplemental schedules taken as a whole. The form and content of the information included in the financial statements and supplemental schedules, other than that derived from the information certified by the trustee, have been audited by us in accordance with auditing standards generally accepted in the United States of America and, in our opinion, are presented in compliance with the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974.

Deloitte & Touche LLP

Houston, Texas
October 12, 2010

SMITH INTERNATIONAL, INC. RESTATED PENSION PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS AS OF DECEMBER 31, 2009 AND 2008

	2009	2008
ASSETS:		
Investments — at fair value:		
Common/commingled funds	\$ 8,353,992	\$ 7,140,332
Corporate bonds and debentures	2,967,530	2,494,565
Short-term investment fund	<u>539,545</u>	<u>441,987</u>
Total investments	<u>11,861,067</u>	<u>10,076,884</u>
Receivables:		
Company contributions	59,214	101,375
Interest	<u>13</u>	<u>329</u>
Total receivables	<u>59,227</u>	<u>101,704</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$ 11,920,294</u>	<u>\$ 10,178,588</u>

The accompanying notes are an integral part of these financial statements.

SMITH INTERNATIONAL, INC. RESTATED PENSION PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
ADDITIONS:		
Investment income (loss):		
Interest and dividend income	\$ 704	\$ 14,123
Net appreciation (depreciation) in fair value of investments (Note 6)	<u>2,237,951</u>	<u>(3,697,521)</u>
Net investment income (loss)	2,238,655	(3,683,398)
Company contributions	213,214	101,375
Transfers in	<u>17,551</u>	<u>-</u>
Total additions	<u>2,469,420</u>	<u>(3,582,023)</u>
DEDUCTIONS:		
Benefit payments	694,911	668,803
Administrative expenses	<u>32,803</u>	<u>33,683</u>
Total deductions	<u>727,714</u>	<u>702,486</u>
NET INCREASE (DECREASE) IN NET ASSETS AVAILABLE FOR BENEFITS	1,741,706	(4,284,509)
NET ASSETS AVAILABLE FOR BENEFITS AT:		
Beginning of year	<u>10,178,588</u>	<u>14,463,097</u>
End of year	<u>\$ 11,920,294</u>	<u>\$ 10,178,588</u>

The accompanying notes are an integral part of these financial statements.

SMITH INTERNATIONAL, INC. RESTATED PENSION PLAN

NOTES TO FINANCIAL STATEMENTS AS OF AND FOR THE YEARS ENDED 2009 AND 2008

1. SUMMARY OF PLAN PROVISIONS

The following description of the Smith International, Inc. Restated Pension Plan (the “Plan”) provides only general information. Participants should refer to the Plan document for a more complete explanation of the Plan’s provisions.

General — The Plan is a defined benefit plan that covers certain employees that were employed by Smith International, Inc. (the “Company” or “Smith”), prior to March 1, 1987, and replaces the terminated Smith International, Inc. Pension Plan. Effective March 1, 1987, the Company froze all benefits and eligibility under the Plan.

Administration and Trustee — The Company is the Plan Administrator and sponsor of the Plan as defined under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). The Plan’s operations are monitored by an administrative committee (the “Administrative Committee”) which is comprised of officers and employees of the Company. Comerica Bank (“Comerica”) is the Trustee of all investments held by the Plan.

Funding Policy — Employer contributions are designed to fund the Plan’s estimated costs in accordance with the funding standards of ERISA.

The actuarial method employed by the Plan’s actuary, Hewitt Associates LLC (“Hewitt”), in calculating contribution requirements is the unit credit actuarial cost method.

On August 17, 2006, the Pension Protection Act of 2006 (PPA) was signed into law. The minimum funding rules under PPA became effective for plan years beginning on or after January 1, 2008. PPA mandates certain assumptions and methods be used, and requires a plan to fund toward a 100% funded level. Plan sponsors must determine the minimum contribution by using the unit credit actuarial cost method, under which the contribution requirement for a year is equal to the actuarial present value of benefits expected to accrue during the year plus a seven-year amortization of unfunded amounts, including gains or losses. In accordance with PPA, the actuarial method has been changed from the projected unit credit cost method to the unit credit method.

The mortality table used to determine the funding target (previously current liability) has been changed from the Internal Revenue Service (IRS) 2008 Combined Static Mortality Table to the IRS 2009 Combined Static Mortality Table. The effective funding interest rate is 8.29%. It is based on the IRS full yield curve published for the month of October 2008, and was used in determining the funding target. The lump-sum conversion mortality table has been updated from the IRS 2008 Applicable Mortality Table in 2008 to the IRS 2009 Applicable Mortality Table in 2009.

Benefit Payments — The participants’ benefit payments may be distributed through the following methods:

- a. Standard 50/50 joint and survivor annuity.
- b. Single life annuity.

- c. Social Security adjustment option, which provides for increased annuity payments before the Social Security date and decreased or no annuity payments thereafter.
- d. 10-year certain life annuity option.
- e. 75 percent/100 percent joint and survivor annuity option.
- f. For terminated participants only, a lump sum if accrued benefit does not exceed \$3,500.

The Plan allows participants to receive benefit payments after reaching age 55.

Vesting — All Plan participants are fully vested at December 31, 2009 or 2008.

Tax Status — The Plan obtained its latest tax determination letter on April 11, 2008, in which the IRS stated that the Plan as then designed was in compliance with the applicable requirements of the Internal Revenue Code of 1986, as amended (the “Code”). The Administrative Committee believes the Plan, as amended, is designed and is currently being operated in compliance with the applicable requirements of the Code. Therefore, the Administrative Committee believes that the Plan is qualified and the related trust was tax-exempt as of the financial statement date.

Administrative Expenses — The Plan is responsible for its administrative expenses. The Company may elect to pay administrative expenses on behalf of the Plan.

Plan Termination — The Company has the right to terminate the Plan. If the Plan is terminated, the net assets of the Plan will be allocated, as prescribed by ERISA and its related regulations, generally to provide benefits in the following order:

- a. Annuity benefits for former employees or their beneficiaries who have been receiving benefits for at least three years or for employees eligible to retire for that three-year period who would have been receiving benefits if they had retired with benefits in the normal form of annuity under the Plan. The priority amount is limited to the lowest benefit that was payable (or would have been payable) during those three years. The amount is further limited to the lowest benefit that would be payable under Plan provisions in effect at any time during the five years preceding Plan termination.
- b. Other vested benefits insured by the Pension Benefit Guaranty Corporation (“PBGC”) up to the applicable limitations.
- c. All other vested benefits not insured by the PBGC.
- d. All nonvested benefits.

Certain benefits under the Plan are insured by the PBGC if the Plan is terminated. Generally, the PBGC guarantees most vested normal age retirement benefits and early retirement benefits as well as certain disability and survivor’s pensions. However, the PBGC does not guarantee all types of benefits under the Plan, and the amount of benefit protection is subject to certain limitations. Vested benefits under the Plan are guaranteed at the level in effect on the date of the Plan’s termination. However, there is a statutory ceiling on the amount of an individual’s monthly benefit that the PBGC guarantees.

Whether all participants receive their benefits should the Plan terminate at some future time will depend on the sufficiency, at that time, of the Plan’s net assets to provide for accumulated benefit obligations and may also depend on the financial condition of the Company and the level of benefits guaranteed by the PBGC. Some benefits may be fully or partially provided for by the then existing assets of the Plan and the PBGC guaranty while other benefits may not be provided for at all.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting — The accounts of the Plan are maintained on the cash basis of accounting. For financial reporting purposes, however, the financial statements have been converted to an accrual basis in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

FASB Codification — In June 2009, the Financial Accounting Standards Board (“FASB”) established that the Accounting Standards Codification (the “Codification”) will be the single official source of authoritative U.S. generally accepted accounting principles, except for rules and interpretive releases of the Securities and Exchange Commission (“SEC”), which are sources of authoritative guidance for SEC registrants. The new Codification standards were effective for 2009.

Investment Valuation and Income Recognition — The Plan’s investments are stated at fair value. Purchases and sales of Plan investments are recorded as of the trade date. The net appreciation or depreciation in the fair value of investments reflected in the accompanying statements of changes in net assets available for Plan benefits includes realized, as well as unrealized, gains or losses on the sale of investments. The net changes in realized gains and losses on sales are determined using the actual purchase and sale price of the related investments. The net changes in unrealized gains and losses are determined using the fair values as of the beginning of the year or the purchase price if acquired since that date. Interest income from investments is reported as earned on an accrual basis in the statements of changes in net assets available for Plan benefits.

Payment of Benefits — Benefit payments to participants are recorded upon distribution.

Use of Estimates — The preparation of financial statements in conformity with GAAP requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, and changes therein, disclosure of contingent assets and liabilities, and the actuarial present value of accumulated Plan benefits at the date of the financial statements. Actual results could differ from those estimates.

3. FAIR VALUE MEASUREMENTS (UNAUDITED)

The Plan adopted applicable accounting guidance, which establishes a fair value hierarchy and divides fair value measurement into three broad levels: Level 1 is comprised of active-market quoted prices for identical instruments; Level 2 is comprised of market-based data obtained from independent sources; and Level 3 is comprised of non-market based estimates which reflect the best judgment of the Administrative Committee.

The following table sets forth, by level within the fair value hierarchy, the Plan’s investments at fair value as of December 31, 2009 and 2008:

	2009 Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Comerica S&P 500 Index Fund	\$ -	\$ 5,405,026	\$ -	\$ 5,405,026
Comerica Bond Index Fund	-	2,967,530	-	2,967,530
Comerica Foreign Equity Index Fund	-	1,693,339	-	1,693,339
Comerica Completeness Index Fund	-	544,417	-	544,417
Goldman Sachs FS Money Market Fund	-	539,545	-	539,545
Comerica Medium Cap Index Fund	-	492,263	-	492,263
Comerica Small Cap Index Fund	-	218,947	-	218,947
	<u>\$ -</u>	<u>\$ 11,861,067</u>	<u>\$ -</u>	<u>\$ 11,861,067</u>

	2008 Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Comerica S&P 500 Index Fund	\$ -	\$ 4,606,014	\$ -	\$ 4,606,014
Comerica Bond Index Fund	-	2,494,565	-	2,494,565
Comerica Foreign Equity Index Fund	-	1,438,140	-	1,438,140
Comerica Completeness Index Fund	-	511,506	-	511,506
Munder Institutional Money Market Fund	-	441,987	-	441,987
Comerica Medium Cap Index Fund	-	392,224	-	392,224
Comerica Small Cap Index Fund	-	192,449	-	192,449
	<u>\$ -</u>	<u>\$ 10,076,884</u>	<u>\$ -</u>	<u>\$ 10,076,884</u>

4. ACTUARIAL METHOD AND ASSUMPTIONS

Accumulated Plan benefits are those future periodic payments, including lump sum distributions that are attributable under the Plan's provisions to the service employees have rendered prior to March 1, 1987. The significant actuarial assumptions used by Hewitt in the valuations as of January 1, 2009 and 2008, were (a) interest rate, (b) life expectancy of participants and (c) retirement age assumptions (an assumed retirement age of 62 for active employees and age 65 for terminated employees).

Actuarial assumptions for life expectancy of participants as of January 1, 2009, were calculated using the 2009 Static Mortality Tables for Annuitants and Non-Annuitants per §1.430(h)(3)-1(e) as published by the IRS. The 2008 Static Mortality Tables for Annuitants and Non-Annuitants per §1.430(h)(3)-1(e) were used for life expectancy as of January 1, 2008.

For the January 1, 2009 actuarial valuation, the interest rate used in determining the actuarial present value of accumulated Plan benefits remained at 6.07%, which was the rate utilized on January 1, 2008. For the January 1, 2008 actuarial valuation, the interest rate used in determining the actuarial present value of accumulated Plan benefits was increased from the 5.78 percent utilized on January 1, 2007, to 6.07 percent. The effect of the changes in utilized mortality tables and in interest rates resulted in a decrease of \$1,652,793 in the present value of accumulated Plan benefits.

The foregoing actuarial assumptions are based on the presumption that the Plan will continue. If the Plan were to terminate, different assumptions would likely apply in determining the actuarial present value of accumulated Plan benefits.

The actuarial present value of accumulated Plan benefits as determined by Hewitt as of January 1, 2009 and 2008, were as follows:

	2009	2008
Vested benefits:		
Participants and beneficiaries currently receiving payments	\$ 6,136,914	\$ 6,432,249
Other participants	<u>8,628,961</u>	<u>8,432,803</u>
Total actuarial present value of accumulated Plan benefits	<u>\$ 14,765,875</u>	<u>\$ 14,865,052</u>

The changes in the actuarial present value of accumulated Plan benefits were as follows:

Actuarial present value of accumulated Plan benefits at January 1, 2007	<u>\$ 16,154,122</u>
Change during the year attributable to:	
Change in actuarial assumptions	(1,652,793)
Benefits accumulated	102,894
Increase for interest related to the decrease in the discount period	914,808
Benefits paid	<u>(653,979)</u>
Net change	<u>(1,289,070)</u>
Actuarial present value of accumulated Plan benefits at January 1, 2008	<u>14,865,052</u>
Change during the year attributable to:	
Change in actuarial assumptions	-
Benefits accumulated	(411,193)
Increase for interest related to the decrease in the discount period	980,819
Benefits paid	<u>(668,803)</u>
Net change	<u>(99,177)</u>
Actuarial present value of accumulated Plan benefits at January 1, 2009	<u>\$ 14,765,875</u>

5. RELATED-PARTY TRANSACTIONS

The Plan invests in certain shares of a short-term investment fund, bond index fund and a common/commingled fund (consisting of various equity index funds) that are managed by Comerica. As Comerica served as the Trustee during 2009, these transactions qualify as party-in-interest transactions.

6. INVESTMENTS (UNAUDITED)

As of December 31, 2009 and 2008, the Plan held investments in a short-term investment fund, a bond index fund and a common/commingled fund (consisting of various equity index funds). As of December 31, 2009 and 2008, the following investments each exceeded 5 percent of Plan net assets:

	2009	2008
Comerica S&P 500 Index Fund	\$5,405,026	\$4,606,014
Comerica Bond Index Fund	2,967,530	2,494,565
Comerica Foreign Equity Index Fund	1,693,339	1,438,140
Comerica Completeness Index Fund	544,417	511,506

For the years ended December 31, 2009 and 2008, the Plan's investments appreciated (depreciated) in value, based upon quoted market prices, as follows:

	2009	2008
Net appreciation (depreciation) in fair value of investments:	\$ 141,378	\$ 201,663
Corporate bonds and debentures	2,096,573	(3,899,184)
Common/commingled funds	2,237,951	(3,697,521)

7. INFORMATION CERTIFIED BY THE PLAN'S TRUSTEE (UNAUDITED)

The Administrative Committee has elected the method of annual reporting compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. Accordingly, Comerica has certified that the following data included in the accompanying financial statements and supplemental schedules is complete and accurate:

- a. Investments and interest receivable, as shown in the Statements of Net Assets Available for Plan Benefits as of December 31, 2009 and 2008, and in Notes 3 and 6.
- b. Investment income, as shown in the Statements of Changes in Net Assets Available for Plan Benefits for the Years Ended December 31, 2009 and 2008, and in Note 6.
- c. Form 5500, Schedule H, Part IV, Line 4i — Schedule of Assets (Held at End of Year) December 31, 2009.
- d. Form 5500, Schedule H, Part IV, Line 4j — Schedule of Reportable Transactions for the Year Ended December 31, 2009.

The Plan's independent auditors did not perform auditing procedures with respect to this information, except for comparing such information with the related information included in the financial statements and supplemental schedules.

8. RISKS AND UNCERTAINTIES

The Plan provides for various investments in a short-term investment fund, a bond index fund, and a common/commingled fund (consisting of various equity index funds). Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values and concentrations of investment securities will occur in the near term and may impact the funded position of the Plan.

Plan contributions are made and the actuarial present value of accumulated Plan benefits are reported based on certain assumptions pertaining to interest rates, inflation rates and employee demographics, all of which are subject to change. Due to uncertainties inherent in the estimation and assumption process, it is at least reasonably possible that changes in these estimates and assumptions in the near term would be material to the financial statements.

9. SUBSEQUENT EVENT

On February 21, 2010, Smith, Schlumberger Limited ("Schlumberger") and Turnberry Merger Sub, Inc. ("Merger Sub"), a wholly-owned subsidiary of Schlumberger, entered into an Agreement and Plan of Merger (the "Merger Agreement"). On August 27, 2010, Schlumberger completed the merger with Smith. Pursuant to the terms of the Merger Agreement and Merger Sub merged with and into Smith with Smith continuing as the surviving corporation and a wholly owned subsidiary of Schlumberger. The transaction does not impact the continuance of the Plan, and there are no current plans to terminate the Plan.

* * * * *

SUPPLEMENTAL SCHEDULES

SMITH INTERNATIONAL, INC. RESTATED PENSION PLAN

EIN: 95-3822631

FORM 5500, SCHEDULE H, PART IV, LINE 4i — SCHEDULE OF ASSETS (HELD AT END OF YEAR)**DECEMBER 31, 2009 (UNAUDITED)**

(a)	(b) Identity of Issue, Borrower, Lessor, or Similar Party	(c) Description of Investment, Including Maturity Date, Rate of Interest, Collateral, Par or Maturity Value	Number of Shares or Units	(d) Cost	(e) Current Value
*	Comerica Bank	SHORT-TERM INVESTMENT FUND — Goldman Sachs FS Money Market Fund	539,545	\$ 539,545	\$ 539,545
*	Comerica Bank	CORPORATE BONDS AND DEBENTURES — Bond Index Fund	68,019	2,325,337	2,967,530
		COMMON/COMMINGLED FUNDS:			
*	Comerica Bank	S&P 500 Index Fund	502,340	4,112,396	5,405,026
*	Comerica Bank	Foreign Equity Index Fund	39,556	825,958	1,693,339
*	Comerica Bank	Medium Cap Index Fund	27,224	293,125	492,263
*	Comerica Bank	Completeness Index Fund	16,411	327,476	544,417
*	Comerica Bank	Small Cap Index Fund	12,451	131,016	218,947
		Total common/commingled funds		5,689,971	8,353,992
		TOTAL ASSETS (HELD AT END OF YEAR)		\$8,554,853	\$11,861,067

* Party-in-interest

NOTE: This schedule was prepared from data certified by Comerica Bank, as complete and accurate.

SMITH INTERNATIONAL, INC. RESTATED PENSION PLAN

EIN: 95-3822631

**FORM 5500, SCHEDULE H, PART IV, LINE 4j — SCHEDULE OF REPORTABLE TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2009 (UNAUDITED)**

(a) Identity of Party Involved	(b) Description of Asset	(c) Purchase Price (*)	(d) Selling Price (**)	(g) Cost of Asset	(h) Current Value of Asset on Transaction Date	(i) Net Gain or (Loss)
SINGLE TRANSACTIONS —						
None.						
SERIES TRANSACTIONS —						
Comerica Bank +	Money market fund:					
	Purchase	\$ 1,242,095	-	\$ 1,242,095	\$ 1,242,095	\$ -
	Sales	-	1,144,536	1,144,536	1,144,536	-

* Purchase price includes transaction expenses.

** Selling price is net of transaction expenses.

+ Party-in-interest.

NOTE: This schedule is a listing of single and series transactions that have been prepared from data certified by Comerica Bank as complete and accurate.

Schedule SB Attachment (Form 5500)—2009 Plan Year
Smith International, Inc. Restated Pension Plan
EIN: 95-3822631 PN: 012

Schedule SB, line 19—Discounted Employer Contributions

Date	Amount	Year Applied	Effective Interest Rate	Interest Adjusted Contribution
April 15, 2009	\$76,000	2009	8.29%	\$74,295
July 16, 2009	\$78,000	2009	8.29%	\$74,734
August 13, 2009	\$59,214	2009	8.29%	\$52,073
Total	\$213,214			\$201,102

Schedule SB Attachment (Form 5500)—2009 Plan Year
Smith International, Inc. Restated Pension Plan
EIN: 95-3822631 PN: 012

Schedule SB, line 22—Description of Weighted Average Retirement Age

This plan used a single-point retirement age of 62, therefore no weighted average is calculated.

Schedule SB Attachment (Form 5500)—2009 Plan Year
Smith International, Inc. Restated Pension Plan
EIN: 95-3822631 PN: 012

Schedule SB, Part V—Summary of Plan Provisions
Summary of Plan Provisions

The plan provides benefits to participating employees upon normal or early retirement and upon termination of employment if eligible for a deferred vested benefit.

The normal retirement benefit is equal to credited service prior to February 28, 1987 times 1.75% of highest average compensation at February 28, 1987 offset by the lesser of credited service prior to February 28, 1987 times 1.50% of primary Social Security and 52.5% of primary Social Security times years of credited service prior to February 28, 1987 divided by years of service that would be accrued at age 65. The primary Social Security is the age 65 amount calculated by using the Social Security law in effect for 1987 and assuming level future earnings. The benefit is also reduced by the amount of benefit previously accrued under the prior Smith International, Inc. Pension Plan. The prior plan was terminated effective August 31, 1985.

Participants may retire early after age 55 if they have ten or more years of service. The amount of the pension is determined using the same formula as normal retirement with reductions for commencement prior to age 65.

The plan provides for a deferred vested benefit should an employee terminate after accruing five or more years of service. The amount of the pension is determined using the same formula as normal retirement. This benefit is payable at age 65. The participant can elect reduced early commencement as early as age 55.

The plan provides a preretirement surviving spouse benefit should death occur prior to retirement but after accruing five or more years of service. Participants have various elections available to them regarding the form of pension payment after retirement.

Schedule SB Attachment (Form 5500)—2009 Plan Year
Smith International, Inc. Restated Pension Plan
EIN: 95-3822631 PN: 012

Schedule SB, Part V—Summary of Plan Provisions (continued)

Effective Date	September 1, 1985. Most recently amended as of October 28, 1994.
Eligibility for Participation	All regular employees employed prior to March 1, 1987 of any participating Smith International, Inc. division.
Eligibility for Benefits	
Normal	Age 65
Early	Age 55 and ten years of service
Termination	Five years of service
Monthly Benefits	
Normal	(1) reduced by (2) and further reduced by (3) as set forth below: (1) Years of credited service prior to February 28, 1987 times: 1-3/4% of the highest average monthly earnings for 60 consecutive months during the 120 months preceding February 28, 1987. (2) Primary age 65 monthly Social Security amount (based on the Social Security law in effect for 1987 and assuming level future earnings) times the lesser of: 1-1/2% times years of credited service prior to February 28, 1987 or 52-1/2% times years of credited service prior to February 28, 1987 divided by years of service that would be accrued at age 65. (3) Monthly retirement benefit provided by the predecessor plan.

Schedule SB Attachment (Form 5500)—2009 Plan Year
Smith International, Inc. Restated Pension Plan
EIN: 95-3822631 PN: 012

Schedule SB, Part V—Summary of Plan Provisions (continued)

Monthly Benefits (continued)

Early	The accrued Normal Retirement benefit reduced 3% per year for each year prior to 65 that is between 60 and 65, and 5% per year for each year between 55 and 60.
Termination	The accrued Normal Retirement benefit payable at age 65, or if the employee elects, starting as early as age 55 reduced 3% per year for each year prior to 65 that is between 60 and 65, and 5% per year for each year between 55 and 60.
Normal Form of Benefit	Life annuity. Married employees at the time of retirement are assumed to automatically elect an actuarially equivalent 50% joint and survivor benefit. Other payment options are available.
Preretirement Survivor's Option	Employee must have five or more years of service. If employee is age 55 or older, benefit is 50% of the early retirement benefit payable in the form of a 50% joint and survivor annuity. If employee is younger than age 55, benefit is to commence when employee would have reached age 55 and is equal to 50% of the age 55 benefit payable in the form of a 50% joint and survivor annuity.
Source of Funds	The Company makes contributions as required to fund the Retirement Plan.
Financing Medium	A corporate trustee.
Administration	The Company administers the plan.

Other Information to Fully and Fairly Disclose the Actuarial Position of the Plan.

Due to the subsequent IRS guidance and final regulations being released after the 2008 Schedule SB was filed, line 11a is not equal to line 38 from the prior year. Rather than re-filing the 2008 Schedule SB, we have chosen to correct the item in line 11a of this year's filing.

Schedule SB Attachment (Form 5500)—2009 Plan Year
Smith International, Inc. Restated Pension Plan
EIN: 95-3822631 PN: 012

Schedule SB, Part V—Statement of Actuarial Assumptions

Valuation Interest Rate	Based on the October 2008 full yield curve with an effective interest rate of 8.29%.
Rates of Retirement	The retirement age assumption for active participants is 62. The retirement age assumption for terminated vested is 65.
Mortality Rate	2009 Static Mortality Table for Annuitants and Non-Annuitants Per §1.430(h)(3)-1(e).
Withdrawal	None.
Disability	None.
Asset Valuation Method	Smoothed fair market value of assets over the current and prior two years, adjusted for contributions, benefit payments, administrative expenses, and expected earnings. The average value of assets calculated in this manner is further limited to not less than 90% nor more than 110% of fair market value.
Marital Status	85% of all active employees are assumed to be married at time of retirement or death before retirement. Husbands are assumed to be three years older than their spouses.
Employees Included	All regular employees of any participating Smith International, Inc. division who have credited service prior to February 28, 1987, have been included in the valuation.
Actuarial Method	Standard Unit Credit Cost Method.
Valuation Date	January 1, 2009.

Schedule SB Attachment (Form 5500)—2009 Plan Year
Smith International, Inc. Restated Pension Plan
EIN: 95-3822631 PN: 012

Schedule SB, Line 25—Change in Funding Method

The January 1, 2009 funding valuation reflects the following method changes:

- A change in the interest rate assumption from segment rates of 5.31%, 5.92%, and 6.43% to the October 2008 PPA full spot yield curve.
- A change in the asset valuation method from market value to the 2-year/3-point smoothed value method as of January 1, 2009.
- An administrative expense load based on the average of the prior three years' administrative expenses has been added to the Funding Target Normal Cost, as required by WRERA.

These changes have automatic approval under final regulations, Notice 2009-22, or other IRS guidance.

Schedule SB Attachment (Form 5500)—2009 Plan Year
 Smith International, Inc. Restated Pension Plan
 EIN: 95-3822631 PN: 012

**Schedule SB, Line 26—Schedule of Active Participant Data
 As of January 1, 2009**

EIN: 95-3822631 PN: 012

Number of Participants

Attained Age	Years of Credited Service									
	<1	1-4	5-9	10-14	15-19	20-24	25-29	30-34	35-39	40+
<25										
25-29										
30-34										
35-39										
40-44		3								
45-49		26								
50-54		56								
55-59		61								
60-64		40								
65-69		6								
70+		3								

N-195

Schedule SB Attachment (Form 5500)—2009 Plan Year
Smith International, Inc. Restated Pension Plan
EIN: 95-3822631 PN: 012

Schedule SB, line 32—Schedule of Amortization Bases

Type	Present Value of Outstanding Amount	Date Established	Years Remaining	Amortization Amount
Shortfall	\$530,748	01/01/2009	7	\$94,525
Shortfall	\$478,424	01/01/2008	6	\$95,706

**SCHEDULE SB
(Form 5500)**Department of the Treasury
Internal Revenue ServiceDepartment of Labor
Employee Benefits Security Administration
Pension Benefit Guaranty Corporation**Single-Employer Defined Benefit Plan
Actuarial Information**

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6059 of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500 or 5500-SF.**

OMB No. 1210-0110

2009**This Form is Open to Public
Inspection**

For calendar plan year 2009 or fiscal plan year beginning 01/01/2009 and ending 12/31/2009

▶ **Round off amounts to nearest dollar.**▶ **Caution:** A penalty of \$1,000 will be assessed for late filing of this report unless reasonable cause is established.

A Name of plan Smith International, Inc. Restated Pension Plan	B Three-digit plan number (PN) ▶ 012
C Plan sponsor's name as shown on line 2a of Form 5500 or 5500-SF Smith International, Inc.	D Employer Identification Number (EIN) 95-3822631
E Type of plan: ☒ Single ☐ Multiple-A ☐ Multiple-B	F Prior year plan size: ☐ 100 or fewer ☐ 101-500 ☒ More than 500

Part I Basic Information

1 Enter the valuation date: Month <u>1</u> Day <u>1</u> Year <u>2009</u>		
2 Assets:		
a Market value.....	2a	10,176,678
b Actuarial value.....	2b	11,194,345
3 Funding target/participant count breakdown	(1) Number of participants	(2) Funding Target
a For retired participants and beneficiaries receiving payment.....	3a 612	5,514,731
b For terminated vested participants.....	3b 1,223	6,240,118
c For active participants:		
(1) Non-vested benefits.....	3c(1)	546,134
(2) Vested benefits.....	3c(2)	511,988
(3) Total active.....	3c(3) 195	1,058,122
d Total.....	3d 2,030	12,812,971
4 If the plan is at-risk, check the box and complete items (a) and (b)..... ☐		
a Funding target disregarding prescribed at-risk assumptions.....	4a	
b Funding target reflecting at-risk assumptions, but disregarding transition rule for plans that have been at-risk for fewer than five consecutive years and disregarding loading factor.....	4b	
5 Effective interest rate.....	5	8.29 %
6 Target normal cost.....	6	55,000

Statement by Enrolled Actuary

To the best of my knowledge, the information supplied in this schedule and accompanying schedules, statements and attachments, if any, is complete and accurate. Each prescribed assumption was applied in accordance with applicable law and regulations. In my opinion, each other assumption is reasonable (taking into account the experience of the plan and reasonable expectations) and such other assumptions, in combination, offer my best estimate of anticipated experience under the plan.

SIGN HERE	<u>Paul M. Yim</u> <u>PMY</u>	<u>09/27/2010</u>
	Signature of actuary	Date
<u>Paul M. Yim</u>	Type or print name of actuary	<u>08-06083</u>
<u>Hewitt Associates LLC</u>	Firm name	Most recent enrollment number
<u>2601 Research Forest Drive</u>		<u>(281) 363-0456</u>
<u>The Woodlands</u>	TX 77381	Telephone number (including area code)
Address of the firm		

If the actuary has not fully reflected any regulation or ruling promulgated under the statute in completing this schedule, check the box and see instructions ☐

For Paperwork Reduction Act Notice and OMB Control Numbers, see the instructions for Form 5500 or 5500-SF.

Schedule SB (Form 5500) 2009
v.092308.1

Liquidity shortfall as of end of Quarter of this plan year

Part V Assumptions used to determine funding target and target normal cost

21 Discount rate:				
a Segment rates:	1st segment: %	2nd segment: %	3rd segment: %	☒ N/A, full yield curve used
b Applicable month (enter code)				21b 2
22 Weighted average retirement age				22 62
23 Mortality table(s) (see instructions) ☐ Prescribed - combined ☒ Prescribed - separate ☐ Substitute				

Part VI Miscellaneous items

24 Has a change been made in the non-prescribed actuarial assumptions for the current plan year? If "Yes," see instructions regarding required attachment.	☐ Yes ☒ No
25 Has a method change been made for the current plan year? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
26 Is the plan required to provide a Schedule of Active Participants? If "Yes," see instructions regarding required attachment.	☒ Yes ☐ No
27 If the plan is eligible for (and is using) alternative funding rules, enter applicable code and see instructions regarding attachment.	27

Part VII Reconciliation of unpaid minimum required contributions for prior years

28 Unpaid minimum required contribution for all prior years	28	0
29 Discounted employer contributions allocated toward unpaid minimum required contributions from prior years (item 19a)	29	
30 Remaining amount of unpaid minimum required contributions (item 28 minus item 29)	30	0

Part VIII Minimum required contribution for current year

31 Target normal cost, adjusted, if applicable (see instructions)	31	55,000
32 Amortization installments:	Outstanding Balance	Installment
a Net shortfall amortization installment	1,009,172	190,231
b Waiver amortization installment		
33 If a waiver has been approved for this plan year, enter the date of the ruling letter granting the approval (Month _____ Day _____ Year _____) and the waived amount	33	
34 Total funding requirement before reflecting carryover/prefunding balances (item 31 + item 32a + item 32b - item 33)	34	245,231
	Carryover balance	Prefunding balance
35 Balances used to offset funding requirement	44,503	44,503
36 Additional cash requirement (item 34 minus item 35)	36	200,728
37 Contributions allocated toward minimum required contribution for current year adjusted to valuation date (item 19c)	37	201,102
38 Interest-adjusted excess contributions for current year (see instructions)	38	374
39 Unpaid minimum required contribution for current year (excess, if any, of item 36 over item 37)	39	0
40 Unpaid minimum required contribution for all years	40	0

Plan Name	Smith International, Inc. Restated Pension Plan
Plan Sponsor EIN	95-3822631
ERISA Plan #	012
Plan Year Ending	12/31/2009

The required attachment marked with an “X” in the Attachment column is included within the Accountant’s Opinion attachment to Sch. H, Part III, Line 3, which consists of the entire audit report issued by the plan’s Independent Qualified Public Accountant (IQPA).

Form / Schedule	Line #	Description	Attachment
5500 Sch. H	Line 3	Financial statements used in formulating the IQPA's opinion	X
5500 Sch. H	Line 4i	Schedule of Assets (Held at End of Year)	X
5500 Sch. H	Line 4i	Schedule of Assets (Acquired and Disposed of Within Year)	
5500 Sch. H	Line 4j	Schedule of Reportable Transactions	X
5500 Sch. H	Line 4a	Schedule of Delinquent Participant Contributions	

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