

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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d) of
The Securities Exchange Act of 1934

February 3, 2011
Date of Report (Date of earliest event reported)

NATIONAL OILWELL VARCO, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

1-12317
(Commission
File Number)

76-0475815
(IRS Employer
Identification No.)

7909 Parkwood Circle Dr.
Houston, Texas
(Address of principal executive offices)

77036
(Zip Code)

Registrant's telephone number, including area code: **713-346-7500**

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition

On February 3, 2011, National Oilwell Varco, Inc. issued a press release announcing earnings for the quarter and full year ended December 31, 2010 and conference call in connection therewith. A copy of the release is furnished herewith as Exhibit 99.1 and incorporated herein by reference.

The information contained in this Current Report shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934 (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be incorporated by reference into a filing under the Securities Act of 1933, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits*(d) Exhibits*

The following exhibit is provided as part of the information furnished under Item 2.02 of this Current Report on Form 8-K:

- 99.1 National Oilwell Varco, Inc. press release dated February 3, 2011 announcing the earnings results for the fourth quarter and full year ended December 31, 2010.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: February 3, 2011

NATIONAL OILWELL VARCO, INC.

/s/ Raymond W. Chang

Raymond W. Chang

Vice President

Index to Exhibits

- 99.1 National Oilwell Varco, Inc. press release dated February 3, 2011 announcing the earnings results for the fourth quarter and full year ended December 31, 2010.



NEWS

Contact: Clay Williams
(713)346-7606FOR IMMEDIATE RELEASE**NATIONAL OILWELL VARCO ANNOUNCES
FOURTH QUARTER AND 2010 EARNINGS**

HOUSTON, TX, February 3, 2011 — National Oilwell Varco, Inc. (NYSE: NOV) today reported that for the fourth quarter ended December 31, 2010 it earned net income of \$440 million, or \$1.05 per fully diluted share. Sequentially, earnings improved nine percent compared to third quarter ended September 30, 2010 net income of \$404 million, or \$0.96 per fully diluted share. Compared to fourth quarter 2009 earnings of \$394 million or \$0.94 per fully diluted share, fourth quarter 2010 earnings improved 12 percent.

Revenues reported for the full year 2010 were \$12.16 billion, and net income was \$1.67 billion, or \$3.98 per fully diluted share. Operating profit for the full year 2010 was \$2.42 billion. Excluding transaction charges in 2010, net income was \$1.71 billion, or \$4.09 per fully diluted share, and operating profit was \$2.47 billion or 20.3 percent of sales, for the full year 2010.

Revenues for the fourth quarter increased five percent sequentially to \$3.17 billion. Operating profit for the fourth quarter, excluding transaction charges of \$1 million pre-tax, was \$625 million, up five percent from the third quarter of 2010. Operating profit flow-through, or the change in operating profit divided by the change in revenue, from the third quarter of 2010 to the fourth quarter of 2010 was 17 percent excluding transaction charges.

Backlog for capital equipment orders for the Company's Rig Technology segment at December 31, 2010 was \$5.01 billion, which was up three percent from the end of the third quarter of 2010. New orders during the quarter were \$1.41 billion, reflecting higher demand for drilling equipment for new build offshore rigs, and higher demand for well intervention and stimulation equipment.

Pete Miller, Chairman, President and CEO of National Oilwell Varco, remarked, "We achieved solid results in 2010. We were able to make our businesses more efficient, while continuing to invest for future growth. We spent approximately \$600 million on acquisitions, launched several expansion projects across many of our existing business lines, and nevertheless ended the year with approximately \$3.3 billion in cash. I would like to thank all of our dedicated employees for their hard work and outstanding execution to deliver this result.

2011 looks bright as we enter the year with strong financial resources, a solid backlog, leading technology, and an experienced team capable of delivering great service and products to our customers and excellent financial results to our shareholders. We believe that the oil and gas industry will continue to need to upgrade the world's rig fleet, and we look forward to continuing to help our customers retool their rigs to improve safety, reduce environmental impact, and drive higher efficiency."

Rig Technology

Fourth quarter revenues for the Rig Technology segment were \$1.76 billion, an increase of six percent from the third quarter of 2010 and a decrease of 11 percent from the fourth quarter of 2009. Operating profit for this segment was \$501 million, or 28.5 percent of sales, an increase of four percent from the third quarter of 2010. Revenue out of backlog for the segment increased 10 percent sequentially and decreased 16 percent year-over-year, to \$1.3 billion for the fourth quarter of 2010.

Petroleum Services & Supplies

Revenues for the fourth quarter of 2010 for the Petroleum Services & Supplies segment were \$1.14 billion, up four percent compared to third quarter 2010 results and up 21 percent compared to fourth quarter 2009 results. Operating profit was \$170 million, or 15.0 percent of sales, an increase of four percent from the third quarter of 2010 and an increase of 59 percent from the fourth quarter of 2009. Operating profit flow-through was 13 percent sequentially and 31 percent from the fourth quarter of 2009 to the fourth quarter of 2010.

Distribution Services

Fourth quarter revenues for the Distribution Services segment were \$423 million, essentially flat from the third quarter of 2010 and up 28 percent from the fourth quarter of 2009. Fourth quarter operating profit was \$30 million or 7.1 percent of sales. Operating profit flow-through was 24 percent from the fourth quarter of 2009 to the fourth quarter of 2010.

The Company has scheduled a conference call for February 3, 2011, at 8:00 a.m. Central Time to discuss fourth quarter and 2010 results. The call will be broadcast through the Investor Relations link on National Oilwell Varco's web site at www.nov.com, and a replay will be available on the site for thirty days following the conference. Participants may also join the conference call by dialing 1-800-446-1671 within North America or 1-847-413-3362 outside of North America five to ten minutes prior to the scheduled start time, and ask for the "National Oilwell Varco Earnings Conference Call."

National Oilwell Varco is a worldwide leader in the design, manufacture and sale of equipment and components used in oil and gas drilling and production operations, the provision of oilfield services, and supply chain integration services to the upstream oil and gas industry.

Statements made in this press release that are forward-looking in nature are intended to be "forward-looking statements" within the meaning of Section 21E of the Securities Exchange Act of 1934 and may involve risks and uncertainties. These statements may differ materially from actual future events or results. Readers are referred to documents filed by National Oilwell Varco with the Securities and Exchange Commission, including the Annual Report on Form 10-K, which identify significant risk factors which could cause actual results to differ from those contained in the forward-looking statements.

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NATIONAL OILWELL VARCO, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except share data)

	December 31, 2010 (Unaudited)	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,333	\$ 2,622
Receivables, net	2,425	2,187
Inventories, net	3,388	3,490
Costs in excess of billings	815	740
Deferred income taxes	316	290
Prepaid and other current assets	258	269
Total current assets	<u>10,535</u>	<u>9,598</u>
Property, plant and equipment, net	1,840	1,836
Deferred income taxes	341	92
Goodwill	5,790	5,489
Intangibles, net	4,103	4,052
Investment in unconsolidated affiliate	386	393
Other assets	55	72
	<u>\$ 23,050</u>	<u>\$ 21,532</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 628	\$ 584
Accrued liabilities	2,105	2,267
Billings in excess of costs	511	1,090
Current portion of long-term debt and short-term borrowings	373	7
Accrued income taxes	468	226
Total current liabilities	<u>4,085</u>	<u>4,174</u>
Long-term debt	514	876
Deferred income taxes	2,336	2,091
Other liabilities	253	163
Total liabilities	<u>7,188</u>	<u>7,304</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock — par value \$.01; 421,141,751 and 418,451,731 shares issued and outstanding at December 31, 2010 and December 31, 2009	4	4
Additional paid-in capital	8,353	8,214
Accumulated other comprehensive income	91	90
Retained earnings	7,300	5,805
Total National Oilwell Varco stockholders' equity	<u>15,748</u>	<u>14,113</u>
Noncontrolling interests	114	115
Total stockholders' equity	<u>15,862</u>	<u>14,228</u>
	<u>\$ 23,050</u>	<u>\$ 21,532</u>

NATIONAL OILWELL VARCO, INC.
CONSOLIDATED STATEMENTS OF INCOME (Unaudited)
(In millions, except per share data)

	Three Months Ended			Years Ended	
	December 31,		September 30,	December 31,	
	2010	2009	2010	2010	2009
Revenue:					
Rig technology	\$ 1,757	\$ 1,977	\$ 1,650	\$ 6,965	\$ 8,093
Petroleum services and supplies	1,137	936	1,089	4,182	3,745
Distribution services	423	331	424	1,546	1,350
Eliminations	(145)	(110)	(152)	(537)	(476)
Total revenue	3,172	3,134	3,011	12,156	12,712
Gross profit	998	980	947	3,850	3,793
Gross profit %	31.5%	31.3%	31.5%	31.7%	29.8%
Selling, general, and administrative	373	358	349	1,385	1,244
Intangible asset impairment	—	—	—	—	147
Transaction, devaluation and voluntary retirement costs	1	14	2	45	87
Operating profit	624	608	596	2,420	2,315
Interest and financial costs	(12)	(13)	(12)	(50)	(53)
Interest income	4	1	4	13	9
Equity income in unconsolidated affiliate	14	2	8	36	47
Other income (expense), net	(7)	(23)	(23)	(22)	(110)
Income before income taxes	623	575	573	2,397	2,208
Provision for income taxes	186	184	169	738	735
Net income	437	391	404	1,659	1,473
Net income (loss) attributable to noncontrolling interests	(3)	(3)	—	(8)	4
Net income attributable to Company	\$ 440	\$ 394	\$ 404	\$ 1,667	\$ 1,469
Net income attributable to Company per share:					
Basic	<u>\$ 1.05</u>	<u>\$ 0.95</u>	<u>\$ 0.97</u>	<u>\$ 3.99</u>	<u>\$ 3.53</u>
Diluted	<u>\$ 1.05</u>	<u>\$ 0.94</u>	<u>\$ 0.96</u>	<u>\$ 3.98</u>	<u>\$ 3.52</u>
Weighted average shares outstanding:					
Basic	<u>418</u>	<u>416</u>	<u>417</u>	<u>417</u>	<u>416</u>
Diluted	<u>421</u>	<u>419</u>	<u>419</u>	<u>419</u>	<u>417</u>

NATIONAL OILWELL VARCO, INC.
OPERATING PROFIT — AS ADJUSTED SUPPLEMENTAL SCHEDULE (Unaudited)
(In millions)

	Three Months Ended			Years Ended	
	December 31,		September 30,	December 31,	
	2010	2009	2010	2010	2009
Revenue:					
Rig technology	\$ 1,757	\$ 1,977	\$ 1,650	\$ 6,965	\$ 8,093
Petroleum services and supplies	1,137	936	1,089	4,182	3,745
Distribution services	423	331	424	1,546	1,350
Eliminations	<u>(145)</u>	<u>(110)</u>	<u>(152)</u>	<u>(537)</u>	<u>(476)</u>
Total revenue	<u>\$ 3,172</u>	<u>\$ 3,134</u>	<u>\$ 3,011</u>	<u>\$ 12,156</u>	<u>\$ 12,712</u>
Operating profit:					
Rig technology	\$ 501	\$ 566	\$ 480	\$ 2,071	\$ 2,287
Petroleum services and supplies	170	107	164	585	453
Distribution services	30	8	24	78	50
Unallocated expenses and eliminations	<u>(76)</u>	<u>(59)</u>	<u>(70)</u>	<u>(269)</u>	<u>(241)</u>
Total operating profit (before intangible asset impairment and transaction, devaluation and voluntary retirement costs)	<u>\$ 625</u>	<u>\$ 622</u>	<u>\$ 598</u>	<u>\$ 2,465</u>	<u>\$ 2,549</u>
Operating profit %:					
Rig technology	28.5%	28.6%	29.1%	29.7%	28.3%
Petroleum services and supplies	15.0%	11.4%	15.1%	14.0%	12.1%
Distribution services	7.1%	2.4%	5.7%	5.0%	3.7%
Other unallocated	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total operating profit % (before intangible asset impairment and transaction, devaluation and voluntary retirement costs)	<u>19.7%</u>	<u>19.8%</u>	<u>19.9%</u>	<u>20.3%</u>	<u>20.1%</u>

NATIONAL OILWELL VARCO, INC.
**AS ADJUSTED EBITDA RECONCILIATION EXCLUDING INTANGIBLE ASSET IMPAIRMENT AND TRANSACTION,
DEVALUATION AND VOLUNTARY RETIREMENT COSTS**
(Unaudited)
(In millions)

	Three Months Ended			Years Ended	
	December 31,		September 30,	December 31,	
	2010	2009	2010	2010	2009
Reconciliation of EBITDA (Note 1):					
GAAP net income attributable to Company	\$ 440	\$ 394	\$ 404	\$ 1,667	\$ 1,469
Provision for income taxes	186	184	169	738	735
Interest expense	12	13	12	50	53
Depreciation and amortization	129	126	127	507	490
Intangible asset impairment	—	—	—	—	147
Transaction, devaluation and voluntary retirement costs	1	14	2	45	87
EBITDA (Note 1)	<u>\$ 768</u>	<u>\$ 731</u>	<u>\$ 714</u>	<u>\$ 3,007</u>	<u>\$ 2,981</u>

Note 1: EBITDA means earnings before interest, taxes, depreciation, amortization, intangible asset impairment, transaction, devaluation and voluntary retirement costs, and is a non-GAAP measurement. Management uses EBITDA because it believes it provides useful supplemental information regarding the Company's on-going economic performance and, therefore, uses this financial measure internally to evaluate and manage the Company's operations. The Company has chosen to provide this information to investors to enable them to perform more meaningful comparisons of operating results and as a means to emphasize the results of on-going operations.

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