

**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**

**October 26, 2010
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 October 26, 2010, National Oilwell Varco, Inc. issued a press release announcing earnings for the third quarter ended September 30, 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 October 26, 2010 announcing the earnings results for the third quarter ended September 30, 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: October 26, 2010

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 October 26, 2010 announcing the earnings results for the third quarter ended September 30, 2010.



NEWS

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

HOUSTON, TX, October 26, 2010 — National Oilwell Varco, Inc. (NYSE: NOV) today reported that for the third quarter ended September 30, 2010 it earned net income of \$404 million, or \$0.96 per fully diluted share, compared to second quarter ended June 30, 2010 net income of \$401 million, or \$0.96 per fully diluted share.

Transaction charges for the third quarter of 2010 were \$2 million pre-tax. Net income for the third quarter of 2010 excluding transaction charges was \$406 million, or \$0.97 per fully diluted share. This compares to second quarter of 2010 net income of \$405 million, or \$0.97 per fully diluted share, and third quarter 2009 net income of \$396 million or \$0.95 per fully diluted share, excluding transaction charges from both periods.

The Company's revenues for the third quarter of 2010 were \$3.01 billion, an increase of two percent from the second quarter of 2010 and a decrease of two percent from the third quarter of 2009. Operating profit for the third quarter of 2010 was \$598 million or 19.9 percent of sales, excluding transaction charges. Year-over-year third quarter operating profit declined \$20 million on \$76 million lower revenue, resulting in operating profit flow-through (change in operating profit divided by the change in revenue) of 26 percent, excluding transaction and restructuring charges.

Backlog for capital equipment orders for the Company's Rig Technology segment at September 30, 2010 was \$4.87 billion, which was up slightly from the end of the second quarter of 2010. New orders during the quarter were \$1.18 billion, reflecting a broad mix of the Company's products including new offshore and land rigs, workover rigs, cranes, and well-stimulation equipment, from domestic and international customers.

Pete Miller, Chairman, President and CEO of National Oilwell Varco, remarked, "High oil and gas activity across North America and continued outstanding execution of equipment orders enabled the Company to achieve solid earnings and cash flow again this quarter. We are pleased that bookings into our capital equipment backlog exceeded shipments during the third quarter, driving backlog a little higher sequentially and signaling renewed interest in drilling equipment construction and refurbishment, and improving credit markets. We are pursuing new orders aggressively, and remain well-positioned to execute strategic internal growth and acquisition opportunities.

We expect to close our proposed acquisition of Advanced Production and Loading PLC, a subsidiary of BW Offshore Limited, during the fourth quarter. We believe this acquisition will help us expand our product offerings in the Floating Production, Storage and Offloading vessels (FPSO) market, which we consider to be the next phase of deepwater development in the oil and gas sector. FPSO's offer us a terrific opportunity to create value for our shareholders."

Rig Technology

Third quarter revenues for the Rig Technology segment were \$1.65 billion, essentially flat from the second quarter of 2010 and a decrease of 18 percent from the third quarter of 2009. Operating profit for this segment was \$480 million, or 29.1 percent of sales. Revenue out of backlog for the segment decreased eight percent sequentially and decreased 28 percent year-over-year, but non-backlog revenue increased 17 percent sequentially and 23 percent year-over-year, reflecting higher demand for aftermarket parts, services and capital spares.

Petroleum Services & Supplies

Revenues for the third quarter of 2010 for the Petroleum Services & Supplies segment were \$1.09 billion, up five percent compared to second quarter 2010 results and up 23 percent from the third quarter of 2009. Operating profit was \$164 million, or 15.1 percent of revenue, up 19 percent from the second quarter of 2010. Operating profit flow-through was 46 percent sequentially and 38 percent from the third quarter of 2009 to the third quarter of 2010. Rising levels of rig activity in U.S. shale plays and seasonal recovery in Canada resulted in higher demand for products and services provided by the segment.

Distribution Services

The Distribution Services segment generated third quarter revenues of \$424 million, which were up 16 percent from the second quarter of 2010 and were up 39 percent from the third quarter of 2009. Third quarter operating profit was \$24 million or 5.7 percent of sales. Operating profit flow-through was 19 percent sequentially and 14 percent from the third quarter of 2009 to the third quarter of 2010. This segment benefited from sequential seasonal sales improvements in Canada, as well as strong sequential gains in U.S. operations on higher rig counts.

The Company has scheduled a conference call for October 26, 2010, at 8:00 a.m. Central Time to discuss third quarter 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.

- more -

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

	September 30, 2010 (Unaudited)	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,070	\$ 2,622
Receivables, net	2,408	2,187
Inventories, net	3,562	3,490
Costs in excess of billings	769	740
Deferred income taxes	232	290
Prepaid and other current assets	285	269
Total current assets	<u>10,326</u>	<u>9,598</u>
Property, plant and equipment, net	1,808	1,836
Deferred income taxes	269	92
Goodwill	5,525	5,489
Intangibles, net	3,877	4,052
Investment in unconsolidated affiliate	365	393
Other assets	61	72
	<u>\$ 22,231</u>	<u>\$ 21,532</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 585	\$ 584
Accrued liabilities	2,289	2,267
Billings in excess of costs	293	1,090
Current portion of long-term debt and short-term borrowings	354	7
Accrued income taxes	351	226
Total current liabilities	<u>3,872</u>	<u>4,174</u>
Long-term debt	516	876
Deferred income taxes	2,197	2,091
Other liabilities	242	163
Total liabilities	<u>6,827</u>	<u>7,304</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock — par value \$.01; 419,167,762 and 418,451,731 shares issued and outstanding at September 30, 2010 and December 31, 2009	4	4
Additional paid-in capital	8,267	8,214
Accumulated other comprehensive income	109	90
Retained earnings	6,906	5,805
Total National Oilwell Varco stockholders' equity	<u>15,286</u>	<u>14,113</u>
Noncontrolling interests	118	115
Total stockholders' equity	<u>15,404</u>	<u>14,228</u>
	<u>\$ 22,231</u>	<u>\$ 21,532</u>

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

	Three Months Ended			Nine Months Ended	
	September 30,		June 30, 2010	September 30,	
	2010	2009		2010	2009
Revenue:					
Rig technology	\$ 1,650	\$ 2,000	\$ 1,672	\$ 5,208	\$ 6,116
Petroleum services and supplies	1,089	882	1,033	3,045	2,809
Distribution services	424	306	365	1,123	1,019
Eliminations	<u>(152)</u>	<u>(101)</u>	<u>(129)</u>	<u>(392)</u>	<u>(366)</u>
Total revenue	3,011	3,087	2,941	8,984	9,578
Gross profit	947	897	932	2,852	2,813
Gross profit %	31.5%	29.1%	31.7%	31.7%	29.4%
Selling, general, and administrative	349	279	338	1,012	886
Intangible asset impairment	—	—	—	—	147
Transaction, devaluation and voluntary retirement costs	<u>2</u>	<u>17</u>	<u>4</u>	<u>44</u>	<u>73</u>
Operating profit	596	601	590	1,796	1,707
Interest and financial costs	(12)	(14)	(13)	(38)	(40)
Interest income	4	4	3	9	8
Equity income in unconsolidated affiliate	8	1	8	22	45
Other income (expense), net	<u>(23)</u>	<u>(13)</u>	<u>(3)</u>	<u>(15)</u>	<u>(87)</u>
Income before income taxes	573	579	585	1,774	1,633
Provision for income taxes	<u>169</u>	<u>192</u>	<u>186</u>	<u>552</u>	<u>551</u>
Net income	404	387	399	1,222	1,082
Net income (loss) attributable to noncontrolling interests	<u>—</u>	<u>2</u>	<u>(2)</u>	<u>(5)</u>	<u>7</u>
Net income attributable to Company	<u>\$ 404</u>	<u>\$ 385</u>	<u>\$ 401</u>	<u>\$ 1,227</u>	<u>\$ 1,075</u>
Net income attributable to Company per share:					
Basic	<u>\$ 0.97</u>	<u>\$ 0.93</u>	<u>\$ 0.96</u>	<u>\$ 2.94</u>	<u>\$ 2.58</u>
Diluted	<u>\$ 0.96</u>	<u>\$ 0.92</u>	<u>\$ 0.96</u>	<u>\$ 2.93</u>	<u>\$ 2.58</u>
Weighted average shares outstanding:					
Basic	<u>417</u>	<u>416</u>	<u>417</u>	<u>417</u>	<u>416</u>
Diluted	<u>419</u>	<u>418</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			Nine Months Ended	
	September 30,		June 30, 2010	September 30,	
	2010	2009		2010	2009
Revenue:					
Rig technology	\$ 1,650	\$ 2,000	\$ 1,672	\$ 5,208	\$ 6,116
Petroleum services and supplies	1,089	882	1,033	3,045	2,809
Distribution services	424	306	365	1,123	1,019
Eliminations	<u>(152)</u>	<u>(101)</u>	<u>(129)</u>	<u>(392)</u>	<u>(366)</u>
Total revenue	<u>\$ 3,011</u>	<u>\$ 3,087</u>	<u>\$ 2,941</u>	<u>\$ 8,984</u>	<u>\$ 9,578</u>
Operating profit:					
Rig technology	\$ 480	\$ 579	\$ 509	\$ 1,570	\$ 1,721
Petroleum services and supplies	164	86	138	415	346
Distribution services	24	7	13	48	42
Unallocated expenses and eliminations	<u>(70)</u>	<u>(54)</u>	<u>(66)</u>	<u>(193)</u>	<u>(182)</u>
Total operating profit (before intangible asset impairment and transaction, devaluation and voluntary retirement costs)	<u>\$ 598</u>	<u>\$ 618</u>	<u>\$ 594</u>	<u>\$ 1,840</u>	<u>\$ 1,927</u>
Operating profit %:					
Rig technology	29.1%	29.0%	30.4%	30.1%	28.1%
Petroleum services and supplies	15.1%	9.8%	13.4%	13.6%	12.3%
Distribution services	5.7%	2.3%	3.6%	4.3%	4.1%
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>19.9%</u>	<u>20.0%</u>	<u>20.2%</u>	<u>20.5%</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			Nine Months Ended	
	September 30,		June 30, 2010	September 30,	
	2010	2009		2010	2009
Reconciliation of EBITDA (Note 1):					
GAAP net income attributable to Company	\$ 404	\$ 385	\$ 401	\$ 1,227	\$ 1,075
Provision for income taxes	169	192	186	552	551
Interest expense	12	14	13	38	40
Depreciation and amortization	127	126	124	378	364
Intangible asset impairment	—	—	—	—	147
Transaction, devaluation and voluntary retirement costs	2	17	4	44	73
EBITDA (Note 1)	<u>\$ 714</u>	<u>\$ 734</u>	<u>\$ 728</u>	<u>\$ 2,239</u>	<u>\$ 2,250</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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