

**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, 2009
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, 2009, National Oilwell Varco, Inc. issued a press release announcing earnings for the third quarter ended September 30, 2009 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, 2009 announcing the earnings results for the third quarter ended September 30, 2009.

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, 2009

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, 2009 announcing the earnings results for the third quarter ended September 30, 2009.



NEWS

Contact: Clay Williams
(713) 346-7606FOR IMMEDIATE RELEASE**NATIONAL OILWELL VARCO ANNOUNCES THIRD QUARTER 2009 RESULTS**

HOUSTON, TX, October 26, 2009 — National Oilwell Varco, Inc. (NYSE: NOV) today reported that for the third quarter ended September 30, 2009 it earned net income of \$385 million, or \$0.92 per fully diluted share, compared to second quarter ended June 30, 2009 net income of \$220 million, or \$0.53 per fully diluted share.

Transaction and restructuring charges for the third quarter of 2009 were \$17 million pre-tax or \$0.03 per share after-tax, and for the second quarter of 2009 were \$56 million pre-tax or \$0.09 per share after-tax. The second quarter of 2009 also included asset impairment charges of \$147 million pre-tax or \$0.23 per share after-tax and \$21 million or \$0.05 per share after-tax related to additional tax charges on revaluation gains in Norway. Net income for the third quarter of 2009 excluding transaction and restructuring charges was \$396 million, or \$0.95 per fully diluted share.

The Company's revenues for the third quarter of 2009 were \$3,087 million, an increase of 3 percent from the second quarter of 2009 and a decrease of 15 percent from the third quarter of 2008. Operating profit for the third quarter of 2009 was \$618 million or 20.0 percent of sales, excluding transaction and restructuring charges. Operating profit flow-through, or the change in operating profit divided by the change in revenue, was up 38 percent from the second quarter to the third quarter of 2009, and was down 38 percent from the third quarter of 2008 to the third quarter of 2009.

During the third quarter of 2009, the Company added \$333 million of orders to its capital equipment backlog, and removed \$72 million of discontinued orders on cancelled projects and project change orders requested by customers. Backlog for capital equipment orders for the Company's Rig Technology segment was \$7.3 billion at September 30, 2009 compared to \$8.7 billion at June 30, 2009.

Pete Miller, Chairman, President and CEO of National Oilwell Varco, remarked, "The Company achieved solid results and strong cash flow this quarter, despite the current challenging market environment, thanks to the hard work of our dedicated employees. Continued outstanding execution of equipment orders and strong financial resources position us well for this marketplace, and we are well positioned for the inevitable recovery in drilling activity. While difficult credit market conditions have led to order rates below our expectations so far this year, we continue to pursue new rig opportunities aggressively, and seek and execute strategic internal growth and acquisition opportunities.

We are also pleased to have launched our new joint venture with Schlumberger to provide high-speed drill string telemetry systems to improve the efficiency and safety of oil and gas operations. We believe this joint venture will help us expand the commercial use of the *IntelliServ® Broadband Network*."

Rig Technology

Third quarter revenues for the Rig Technology segment were \$2,000 million, up 4 percent from the second quarter of 2009 and an increase of 4 percent from the third quarter of 2008. Operating profit for this segment was \$579 million, or 29.0 percent of sales. Operating profit flow-through was up 52 percent from the second quarter of 2009 to the third quarter of 2009, and was up 105 percent from the third quarter of 2008 to the third quarter of 2009. Revenue out of backlog for the segment rose 12 percent sequentially and 17 percent year-over-year, to \$1,599 million for the third quarter of 2009. Efficiencies and favorable cost results on large rig construction projects contributed to the strong margin performance by the segment.

Petroleum Services & Supplies

Revenues for the third quarter of 2009 for the Petroleum Services & Supplies segment were \$882 million, down 3 percent compared to second quarter 2009 results and down 33 percent from the third quarter of 2008. Operating profit was \$86 million, or 9.8 percent of revenue, down 10 percent from the second quarter of 2009. Operating profit flow-through was down 32 percent sequentially and down 57 percent from the third quarter of 2008 to the third quarter of 2009. Despite modest gains in North American rig counts, the segment continued to face pricing pressure and reduced purchasing by domestic customers, and slightly lower rig counts in international markets.

Distribution Services

The Distribution Services segment generated third quarter revenues of \$306 million, flat from the second quarter of 2009 and a decrease of 39 percent from the third quarter of 2008. Third quarter operating profit was \$7 million or 2.3 percent of sales. Operating profit flow-through from the third quarter of 2008 to the third quarter of 2009 was down 19 percent. This segment benefited from sequential seasonal sales improvements in Canada, which was fully offset by lower domestic and other international sales, adversely affecting the mix.

The Company has scheduled a conference call for October 26, 2009, at 9:00 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 1-800-447-0521 within North America or 1-847-413-3238 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)

	September 30, 2009 (Unaudited)	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,192	\$ 1,543
Receivables, net	2,204	3,136
Inventories, net	3,767	3,806
Costs in excess of billings	612	618
Deferred income taxes	227	271
Prepaid and other current assets	405	283
Total current assets	<u>10,407</u>	<u>9,657</u>
Property, plant and equipment, net	1,753	1,677
Deferred income taxes	189	126
Goodwill	5,405	5,225
Intangibles, net	4,103	4,300
Investment in unconsolidated affiliate	389	421
Other assets	116	73
	<u>\$ 22,362</u>	<u>\$ 21,479</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 510	\$ 852
Accrued liabilities	2,454	2,376
Billings in excess of costs	1,615	2,161
Current portion of long-term debt and short-term borrowings	9	4
Accrued income taxes	401	230
Total current liabilities	<u>4,989</u>	<u>5,623</u>
Long-term debt	875	870
Deferred income taxes	2,098	2,134
Other liabilities	121	128
Total liabilities	<u>8,083</u>	<u>8,755</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock — par value \$.01; 418,281,455 and 417,350,924 shares issued and outstanding at September 30, 2009 and December 31, 2008	4	4
Additional paid-in capital	8,203	7,989
Accumulated other comprehensive income (loss)	92	(161)
Retained earnings	5,871	4,796
Total National Oilwell Varco stockholders' equity	<u>14,170</u>	<u>12,628</u>
Noncontrolling interests	109	96
Total stockholders' equity	<u>14,279</u>	<u>12,724</u>
	<u>\$ 22,362</u>	<u>\$ 21,479</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, 2009	September 30,	
	2009	2008		2009	2008
Revenue:					
Rig technology	\$ 2,000	\$ 1,926	\$ 1,917	\$ 6,116	\$ 5,440
Petroleum services and supplies	882	1,310	913	2,809	3,264
Distribution services	306	498	305	1,019	1,289
Eliminations	(101)	(123)	(125)	(366)	(372)
Total revenue	3,087	3,611	3,010	9,578	9,621
Gross profit	897	1,128	877	2,813	2,952
Gross profit %	29.1%	31.2%	29.1%	29.4%	30.7%
Selling, general, and administrative	279	310	288	886	811
Intangible asset impairment	—	—	147	147	—
Transaction and restructuring costs	17	28	56	73	91
Operating profit	601	790	386	1,707	2,050
Interest and financial costs	(14)	(19)	(13)	(40)	(53)
Interest income	4	11	2	8	37
Equity income in unconsolidated affiliate	1	20	16	45	37
Other income (expense), net	(13)	15	(38)	(87)	14
Income before income taxes	579	817	353	1,633	2,085
Provision for income taxes	192	264	131	551	707
Net income	387	553	222	1,082	1,378
Net income attributable to noncontrolling interests	2	5	2	7	11
Net income attributable to Company	\$ 385	\$ 548	\$ 220	\$ 1,075	\$ 1,367
Net income attributable to Company per share:					
Basic	<u>\$ 0.93</u>	<u>\$ 1.32</u>	<u>\$ 0.53</u>	<u>\$ 2.58</u>	<u>\$ 3.49</u>
Diluted	<u>\$ 0.92</u>	<u>\$ 1.31</u>	<u>\$ 0.53</u>	<u>\$ 2.58</u>	<u>\$ 3.48</u>
Weighted average shares outstanding:					
Basic	<u>416</u>	<u>416</u>	<u>416</u>	<u>416</u>	<u>391</u>
Diluted	<u>418</u>	<u>418</u>	<u>418</u>	<u>417</u>	<u>393</u>

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

	Three Months Ended			Nine Months Ended	
	September 30,		June 30, 2009	September 30,	
	2009	2008		2009	2008
Revenue:					
Rig technology	\$ 2,000	\$ 1,926	\$ 1,917	\$ 6,116	\$ 5,440
Petroleum services and supplies	882	1,310	913	2,809	3,868
Distribution services	306	498	305	1,019	1,289
Eliminations	<u>(101)</u>	<u>(123)</u>	<u>(125)</u>	<u>(366)</u>	<u>(372)</u>
Total revenue	<u>\$ 3,087</u>	<u>\$ 3,611</u>	<u>\$ 3,010</u>	<u>\$ 9,578</u>	<u>\$ 10,225</u>
Operating profit:					
Rig technology	\$ 579	\$ 501	\$ 536	\$ 1,721	\$ 1,413
Petroleum services and supplies	86	330	96	346	940
Distribution services	7	43	10	42	87
Unallocated expenses and eliminations	<u>(54)</u>	<u>(56)</u>	<u>(53)</u>	<u>(182)</u>	<u>(177)</u>
Total operating profit (before intangible asset impairment and transaction and restructuring costs)	<u>\$ 618</u>	<u>\$ 818</u>	<u>\$ 589</u>	<u>\$ 1,927</u>	<u>\$ 2,263</u>
Operating profit %:					
Rig technology	29.0%	26.0%	28.0%	28.1%	26.0%
Petroleum services and supplies	9.8%	25.2%	10.5%	12.3%	24.3%
Distribution services	2.3%	8.6%	3.3%	4.1%	6.7%
Other unallocated	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total operating profit (before intangible asset impairment and transaction and restructuring costs)	<u>20.0%</u>	<u>22.7%</u>	<u>19.6%</u>	<u>20.1%</u>	<u>22.1%</u>

Note (1): The unaudited as adjusted results for 2008 represent the combined estimated financial results for National Oilwell Varco, Inc. and Grant Prideco, Inc. as if the acquisition occurred at the beginning of the period. The results include the estimated effect of purchase accounting adjustments, but do not include any effect from costs savings that may result from the acquisition. The unaudited as adjusted financial statements are presented for informational purposes only and are not necessarily indicative of results of operations or financial position that would have occurred had the transaction been consummated at the beginning of the period presented, nor are they necessarily indicative of future results.

NATIONAL OILWELL VARCO, INC.
AS ADJUSTED EBITDA RECONCILIATION EXCLUDING TRANSACTION AND RESTRUCTURING COSTS
(Unaudited)
(In millions)

	Three Months Ended			Nine Months Ended	
	September 30,		June 30,	September 30,	
	2009	2008	2009	2009	2008
Reconciliation of EBITDA (Note 1):					
GAAP net income attributable to Company	\$ 385	\$ 548	\$ 220	\$ 1,075	\$ 1,367
Provision for income taxes	192	264	131	551	707
Interest expense	14	19	13	40	53
Depreciation and amortization	126	116	122	364	284
Intangible asset impairment	—	—	147	147	—
Transaction and restructuring costs	17	28	56	73	91
EBITDA (Note 1)	<u>\$ 734</u>	<u>\$ 975</u>	<u>\$ 689</u>	<u>\$ 2,250</u>	<u>\$ 2,502</u>

Note 1: EBITDA means earnings before interest, taxes, depreciation, amortization, intangible asset impairment, transaction and restructuring 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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