
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

April 23, 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))
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Item 2.02 Results of Operations and Financial Condition

On April 23, 2009, National Oilwell Varco, Inc. issued a press release announcing earnings for the quarter ended March 31, 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 April 23, 2009 announcing the earnings results for the quarter ended March 31, 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: April 23, 2009

NATIONAL OILWELL VARCO, INC.

/s/ Clay C. Williams

Clay C. Williams

Sr. Vice President and Chief Financial Officer

Index to Exhibits

99.1 National Oilwell Varco, Inc. press release dated April 23, 2009 announcing the earnings results for the quarter ended March 31, 2009.



NEWS

Contact: Clay Williams
(713) 346-7606FOR IMMEDIATE RELEASE**NATIONAL OILWELL VARCO ANNOUNCES
FIRST QUARTER 2009 EARNINGS AND BACKLOG**

HOUSTON, TX, April 23, 2009 — National Oilwell Varco, Inc. (NYSE: NOV) today reported that for its first quarter ended March 31, 2009 it earned net income of \$470 million, or \$1.13 per fully diluted share, compared to fourth quarter ended December 31, 2008 net income of \$585 million, or \$1.40 per fully diluted share. Earnings per share increased 2 percent compared to the first quarter of 2008, when the Company earned \$398 million or \$1.11 per fully diluted share.

In addition to reported results, the Company is also providing supplemental results, which include the combined financial results for the Company and Grant Prideco as if the April 21, 2008 acquisition occurred at the beginning of 2008. The Company's revenues and operating profit for the first quarter of 2009 were \$3,481 million and \$720 million, respectively. Revenues decreased 9 percent from the fourth quarter of 2008, and increased 10 percent from the first quarter of 2008, on this adjusted combined basis. Operating profit flow-through, or the change in operating profit divided by the change in revenue, was up 17 percent from the first quarter of 2008 to the first quarter of 2009, on a combined basis, and down 48 percent from the fourth quarter of 2008 to the first quarter of 2009.

New capital equipment orders during the quarter were \$240 million, net of orders removed from backlog of \$32 million. Backlog for capital equipment orders for the Company's Rig Technology segment was \$9.6 billion at March 31, 2009 compared to \$11.1 billion at December 31, 2008.

Pete Miller, Chairman, President and CEO of National Oilwell Varco, remarked, "Our solid backlog for drilling equipment enabled our Company to generate strong earnings in the first quarter, despite a sharp downturn in drilling activity and available credit to our customers. Though the pace of new capital equipment orders has slowed in the short run, we believe investment in drilling equipment will resume, to enable the industry to explore new oil and gas frontiers. Nevertheless market conditions remain very challenging, and the timing of a recovery is uncertain. We are well positioned for this market, given our strong financial resources, high cash flow, and exceptional backlog through 2010. We plan to execute strategic opportunities arising from the current downturn, both internal and external, to further enhance our business."

Rig Technology

First quarter revenues for the Rig Technology segment were \$2,199 million, an increase of 5 percent over the fourth quarter of 2008 and an increase of 37 percent from the first quarter of

2008. Operating profit for this segment was \$606 million, or 27.6 percent of sales. Operating profit flow-through was up 44 percent from the fourth quarter of 2008 to the first quarter of 2009, and was up 34 percent from the first quarter of 2008 to the first quarter of 2009. Revenue out of backlog for the segment increased 15 percent sequentially and rose 49 percent year-over-year, to \$1,688 million for the first quarter of 2009. Non-backlog revenue declined 18 percent sequentially, and increased 8 percent from the first quarter of 2008.

Petroleum Services & Supplies

Revenues for the first quarter of 2009 for the Petroleum Services & Supplies segment were \$1,014 million, down 27 percent compared to fourth quarter 2008 results and down 23 percent from the first quarter of 2008, on an adjusted combined basis for the merger. Operating profit was \$164 million, or 16.2 percent of revenue, a decrease of 52 percent from the fourth quarter of 2008. Operating profit flow-through was down 47 percent sequentially and down 50 percent from the prior year, on an adjusted combined basis for the merger.

Distribution Services

The Distribution Services segment generated first quarter revenues of \$408 million, which were down 16 percent from the fourth quarter of 2008 and represented a 11 percent increase from the first quarter of 2008. First quarter operating profit was \$25 million or 6.1 percent of sales. Operating profit flow-through from the first quarter of 2008 to the first quarter of 2009 was up 14 percent. Operating profit flow-through was down 24 percent from the fourth quarter of 2008 to the first quarter of 2009.

The Company has scheduled a conference call for April 23, 2009, at 9:00 a.m. Central Time to discuss first 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 **303-262-2053** prior to the scheduled start time.

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)

	March 31, 2009 (Unaudited)	December 31, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,232	\$ 1,543
Receivables, net	2,892	3,136
Inventories, net	3,833	3,806
Costs in excess of billings	616	618
Deferred income taxes	206	271
Prepaid and other current assets	411	283
Total current assets	<u>10,190</u>	<u>9,657</u>
Property, plant and equipment, net	1,677	1,677
Deferred income taxes	147	126
Goodwill	5,281	5,225
Intangibles, net	4,241	4,300
Investment in unconsolidated affiliate	451	421
Other assets	93	73
	<u>\$ 22,080</u>	<u>\$ 21,479</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 855	\$ 852
Accrued liabilities	2,467	2,376
Billings in excess of costs	2,083	2,161
Current portion of long-term debt and short-term borrowings	5	4
Accrued income taxes	358	230
Total current liabilities	<u>5,768</u>	<u>5,623</u>
Long-term debt	868	870
Deferred income taxes	2,144	2,134
Other liabilities	127	128
Total liabilities	<u>8,907</u>	<u>8,755</u>
Commitments and contingencies		
Stockholders' equity:		
Common stock — par value \$.01; 418,129,630 and 417,350,924 shares issued and outstanding at March 31, 2009 and December 31, 2008	4	4
Additional paid-in capital	8,005	7,989
Accumulated other comprehensive loss	(194)	(161)
Retained earnings	5,266	4,796
Total Company stockholders' equity	<u>13,081</u>	<u>12,628</u>
Noncontrolling interests	92	96
Total stockholders' equity	<u>13,173</u>	<u>12,724</u>
	<u>\$ 22,080</u>	<u>\$ 21,479</u>

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

	Three Months Ended		
	March 31,		December 31,
	2009	2008	2008
Revenue:			
Rig technology	\$ 2,199	\$ 1,603	\$ 2,088
Petroleum services and supplies	1,014	830	1,387
Distribution services	408	366	483
Eliminations	(140)	(114)	(148)
Total revenue	3,481	2,685	3,810
Gross profit	1,039	797	1,209
Gross profit %	29.8%	29.7%	31.7%
Selling, general, and administrative	319	228	332
Transaction costs	—	—	20
Operating profit	720	569	857
Interest and financial costs	(13)	(10)	(14)
Interest income	2	16	8
Equity income in unconsolidated affiliate	28	—	16
Other income (expense), net	(36)	13	9
Income before income taxes	701	588	876
Provision for income taxes	228	188	286
Net income	473	400	590
Net income attributable to noncontrolling interests	3	2	5
Net income attributable to Company	<u>\$ 470</u>	<u>\$ 398</u>	<u>\$ 585</u>
Net income attributable to Company per share:			
Basic	<u>\$ 1.13</u>	<u>\$ 1.12</u>	<u>\$ 1.41</u>
Diluted	<u>\$ 1.13</u>	<u>\$ 1.11</u>	<u>\$ 1.40</u>
Weighted average shares outstanding:			
Basic	<u>416</u>	<u>356</u>	<u>416</u>
Diluted	<u>418</u>	<u>359</u>	<u>417</u>

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

	Three Months Ended		
	March 31,		December 31,
	2009	2008	2008
Revenue:			
Rig technology	\$ 2,199	\$ 1,603	\$ 2,088
Petroleum services and supplies	1,014	1,313	1,387
Distribution services	408	366	483
Eliminations	<u>(140)</u>	<u>(113)</u>	<u>(148)</u>
 Total Revenue	 <u>\$ 3,481</u>	 <u>\$ 3,169</u>	 <u>\$ 3,810</u>
Operating profit:			
Rig technology	\$ 606	\$ 406	\$ 557
Petroleum services and supplies	164	314	341
Distribution services	25	19	43
Unallocated expenses and eliminations	<u>(75)</u>	<u>(72)</u>	<u>(64)</u>
 Total operating profit (before transaction costs)	 <u>\$ 720</u>	 <u>\$ 667</u>	 <u>\$ 877</u>
Operating profit %:			
Rig technology	27.6%	25.3%	26.7%
Petroleum services and supplies	16.2%	23.9%	24.6%
Distribution services	6.1%	5.2%	8.9%
Other unallocated	<u>—</u>	<u>—</u>	<u>—</u>
 Total operating profit (before transaction costs)	 <u>20.7%</u>	 <u>21.0%</u>	 <u>23.0%</u>

Note (1): The unaudited as adjusted results 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 COSTS
(Unaudited)
(In millions)

	Three Months Ended		
	March 31, 2009	2008	December 31, 2008
Reconciliation of EBITDA (Note 1):			
GAAP net income attributable to Company	\$ 470	\$ 398	\$ 585
Provision for income taxes	228	188	286
Interest expense	13	10	14
Depreciation and amortization	116	61	118
Transaction costs	—	—	20
EBITDA (Note 1)	\$ 827	\$ 657	\$ 1,023

Note 1: EBITDA means earnings before interest, taxes, depreciation, amortization, and transaction 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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