
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

July 29, 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))
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Item 2.02 Results of Operations and Financial Condition

On July 29, 2010, National Oilwell Varco, Inc. issued a press release announcing earnings for the second quarter ended June 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 July 29, 2010 announcing the earnings results for the second quarter ended June 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: July 29, 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 July 29, 2010 announcing the earnings results for the second quarter ended June 30, 2010.

FOR IMMEDIATE RELEASE**NATIONAL OILWELL VARCO ANNOUNCES
SECOND QUARTER 2010 EARNINGS**

HOUSTON, TX, July 29, 2010 — National Oilwell Varco, Inc. (NYSE: NOV) today reported that for its second quarter ended June 30, 2010 it earned net income of \$401 million, or \$0.96 per fully diluted share. Earnings per share increased 81 percent compared to the second quarter of 2009, when the Company earned \$0.53 per share. Earnings per share decreased five percent compared to first quarter 2010 earnings of \$1.01 per share. Excluding transaction charges of \$4 million pre-tax or \$0.01 per share after-tax, second quarter 2010 net income was \$405 million, or \$0.97 per fully diluted share.

The Company's revenues for the second quarter of 2010 were \$2.94 billion, down slightly from both the prior quarter and prior year quarter, as higher sales in both Petroleum Services & Supplies and Distribution Services segments, and rising Rig Technology aftermarket sales, did not completely offset lower offshore rig fabrication revenue out of backlog in the Rig Technology segment. Operating profit for the second quarter of 2010 was \$594 million or 20.2 percent of sales, compared to 19.6 percent in the second quarter of 2009 and 21.4 percent in the first quarter of 2010, excluding transaction and restructuring charges from all periods. Year-over-year second quarter operating profit increased \$5 million despite a \$69 million decline in revenue, excluding transaction and restructuring charges. Sequentially, second quarter operating profit declined \$54 million on \$91 million lower revenue, resulting in operating profit flow-through (change in operating profit divided by the change in revenue) of 59 percent, excluding transaction and restructuring charges.

During the second quarter of 2010 the Company's Rig Technology segment booked \$689 million in new orders, partially offset by cancellations and change orders of \$29 million, resulting in net order additions to backlog of \$660 million. Backlog for capital equipment orders for the Company's Rig Technology segment was \$4.9 billion at June 30, 2010, down 11 percent from March 31, 2010.

Pete Miller, Chairman, President and CEO of National Oilwell Varco, remarked, "Our Company achieved solid earnings this quarter, thanks to the hard work of our dedicated employees, who provide great service, quality products, and remarkable technology to the oil and gas industry worldwide, every day. Strategically we continue to position our organization to bridge this industry's transition to new and exciting frontiers — namely, the development of unconventional resources across many continents, the production of new deepwater resources, and the application of new and better technology to make our business safer, more efficient, and more environmentally sound.

The Company continues to expand organically and pursue promising acquisition opportunities, underpinned by its substantial financial resources, compelling technology portfolio, and outstanding team of professionals. Perhaps most importantly at this time, our thoughts and prayers are with the many lives touched by the tragedy in the Gulf of Mexico."

Rig Technology

Second quarter revenues for the Rig Technology segment were \$1.7 billion, a decrease of 11 percent from the first quarter of 2010 and a decrease of 13 percent from the second quarter of 2009. Operating profit for this segment was \$509 million, or 30.4 percent of sales. Operating profit flow-through from the first quarter of 2010 to the second quarter of 2010 was 34 percent, and operating profit flow-through from the second quarter of 2009 to the second quarter of 2010 was 11 percent. Revenue out of backlog for the segment decreased 17 percent sequentially and decreased 13 percent year-over-year, to \$1.3 billion for the second quarter of 2010. Non-backlog revenue improved 10 percent sequentially, led by higher sales of aftermarket parts for the segment.

Petroleum Services & Supplies

Revenues for the second quarter of 2010 for the Petroleum Services & Supplies segment were \$1.0 billion, up 12 percent compared to first quarter 2010 results and up 13 percent from the second quarter of 2009. Operating profit was \$138 million, or 13.4 percent of revenue, an increase of 22 percent from the first quarter of 2010 and an increase of 44 percent from the second quarter of 2009. Operating profit flow-through was 23 percent from the first quarter of 2010 to the second quarter of 2010. Operating profit flow-through from the second quarter of 2009 to the second quarter of 2010 was up 35 percent. Sharply higher sequential sales in the U.S. and modest growth in international markets easily overcame lower second quarter seasonal declines in Canada.

Distribution Services

The Distribution Services segment generated second quarter revenues of \$365 million, which were up 9 percent from the first quarter of 2010 and were up 20 percent from the second quarter of 2009. Second quarter operating profit was \$13 million or 3.6 percent of sales. Operating profit flow-through was up 6 percent sequentially and up 5 percent from the prior year. Strong sequential gains in U.S. operations on higher rig counts and Gulf cleanup efforts were partially offset by seasonal declines in Canada. International and industrial product sales were up modestly.

The Company has scheduled a conference call for July 29, 2010, at 8:00 a.m. Central Time to discuss second 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.

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

	June 30, 2010 (Unaudited)	December 31, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 2,688	\$ 2,622
Receivables, net	2,387	2,187
Inventories, net	3,443	3,490
Costs in excess of billings	802	740
Deferred income taxes	230	290
Prepaid and other current assets	276	269
Total current assets	9,826	9,598
Property, plant and equipment, net	1,792	1,836
Deferred income taxes	169	92
Goodwill	5,532	5,489
Intangibles, net	3,928	4,052
Investment in unconsolidated affiliate	358	393
Other assets	43	72
	<u>\$ 21,648</u>	<u>\$ 21,532</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 598	\$ 584
Accrued liabilities	2,300	2,267
Billings in excess of costs	454	1,090
Current portion of long-term debt and short-term borrowings	352	7
Accrued income taxes	233	226
Total current liabilities	3,937	4,174
Long-term debt	519	876
Deferred income taxes	2,091	2,091
Other liabilities	264	163
Total liabilities	6,811	7,304
Commitments and contingencies		
Stockholders' equity:		
Common stock — par value \$.01; 419,054,572 and 418,451,731 shares issued and outstanding at June 30, 2010 and December 31, 2009	4	4
Additional paid-in capital	8,247	8,214
Accumulated other comprehensive income (loss)	(67)	90
Retained earnings	6,544	5,805
Total National Oilwell Varco stockholders' equity	14,728	14,113
Noncontrolling interests	109	115
Total stockholders' equity	14,837	14,228
	<u>\$ 21,648</u>	<u>\$ 21,532</u>

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

	Three Months Ended			Six Months Ended	
	June 30,		March 31, 2010	June 30,	
	2010	2009		2010	2009
Revenue:					
Rig technology	\$ 1,672	\$ 1,917	\$ 1,886	\$ 3,558	\$ 4,116
Petroleum services and supplies	1,033	913	923	1,956	1,927
Distribution services	365	305	334	699	713
Eliminations	(129)	(125)	(111)	(240)	(265)
Total revenue	2,941	3,010	3,032	5,973	6,491
Gross profit	932	877	973	1,905	1,916
Gross profit %	31.7%	29.1%	32.1%	31.9%	29.5%
Selling, general, and administrative	338	288	325	663	607
Intangible asset impairment	—	147	—	—	147
Transaction, devaluation and voluntary retirement costs	4	56	38	42	56
Operating profit	590	386	610	1,200	1,106
Interest and financial costs	(13)	(13)	(13)	(26)	(26)
Interest income	3	2	2	5	4
Equity income in unconsolidated affiliate	8	16	6	14	44
Other income (expense), net	(3)	(38)	11	8	(74)
Income before income taxes	585	353	616	1,201	1,054
Provision for income taxes	186	131	197	383	359
Net income	399	222	419	818	695
Net income (loss) attributable to noncontrolling interests	(2)	2	(3)	(5)	5
Net income attributable to Company	<u>\$ 401</u>	<u>\$ 220</u>	<u>\$ 422</u>	<u>\$ 823</u>	<u>\$ 690</u>
Net income attributable to Company per share:					
Basic	<u>\$ 0.96</u>	<u>\$ 0.53</u>	<u>\$ 1.01</u>	<u>\$ 1.97</u>	<u>\$ 1.66</u>
Diluted	<u>\$ 0.96</u>	<u>\$ 0.53</u>	<u>\$ 1.01</u>	<u>\$ 1.96</u>	<u>\$ 1.65</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			Six Months Ended	
	June 30,		March 31,	June 30,	
	2010	2009	2010	2010	2009
Revenue:					
Rig technology	\$ 1,672	\$ 1,917	\$ 1,886	\$ 3,558	\$ 4,116
Petroleum services and supplies	1,033	913	923	1,956	1,927
Distribution services	365	305	334	699	713
Eliminations	(129)	(125)	(111)	(240)	(265)
Total revenue	<u>\$ 2,941</u>	<u>\$ 3,010</u>	<u>\$ 3,032</u>	<u>\$ 5,973</u>	<u>\$ 6,491</u>
Operating profit:					
Rig technology	\$ 509	\$ 536	\$ 581	\$ 1,090	\$ 1,142
Petroleum services and supplies	138	96	113	251	260
Distribution services	13	10	11	24	35
Unallocated expenses and eliminations	(66)	(53)	(57)	(123)	(128)
Total operating profit (before intangible asset impairment and transaction, devaluation and voluntary retirement costs)	<u>\$ 594</u>	<u>\$ 589</u>	<u>\$ 648</u>	<u>\$ 1,242</u>	<u>\$ 1,309</u>
Operating profit %:					
Rig technology	30.4%	28.0%	30.8%	30.6%	27.7%
Petroleum services and supplies	13.4%	10.5%	12.2%	12.8%	13.5%
Distribution services	3.6%	3.3%	3.3%	3.4%	4.9%
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>20.2%</u>	<u>19.6%</u>	<u>21.4%</u>	<u>20.8%</u>	<u>20.2%</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			Six Months Ended	
	June 30,		March 31,	June 30,	
	2010	2009	2010	2010	2009
Reconciliation of EBITDA (Note 1):					
GAAP net income attributable to Company	\$ 401	\$ 220	\$ 422	\$ 823	\$ 690
Provision for income taxes	186	131	197	383	359
Interest expense	13	13	13	26	26
Depreciation and amortization	124	122	127	251	238
Intangible asset impairment	—	147	—	—	147
Transaction, devaluation and voluntary retirement costs	4	56	38	42	56
EBITDA (Note 1)	<u>\$ 728</u>	<u>\$ 689</u>	<u>\$ 797</u>	<u>\$ 1,525</u>	<u>\$ 1,516</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.

CONTACT: National Oilwell Varco, Inc.
Clay Williams, (713) 346-7606
Clay.Williams@nov.com