
**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**

Date of Report (Date of earliest event reported): April 27, 2007 (April 27, 2007)

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.)

10000 Richmond Avenue
Houston, Texas
(Address of principal executive offices)

77042
(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 27, 2007, National Oilwell Varco, Inc. issued a press release announcing earnings for the first quarter ended March 31, 2007 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

(c) *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 27, 2007 announcing the earnings results for the first quarter ended March 31, 2007.

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 27, 2007

NATIONAL OILWELL VARCO, INC.

/s/ Clay C. Williams

Clay C. Williams

Sr. Vice President and Chief Financial Officer

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99.1 National Oilwell Varco, Inc. press release dated April 27, 2007 announcing the earnings results for the first quarter ended March 31, 2007.



FOR IMMEDIATE RELEASE

**NATIONAL OILWELL VARCO ANNOUNCES
FIRST QUARTER 2007 EARNINGS AND BACKLOG**

HOUSTON, TX, April 27, 2007 — National Oilwell Varco, Inc. (NYSE: NOV) today reported that for its first quarter ended March 31, 2007 it earned net income of \$275.9 million, or \$1.55 per fully diluted share, compared to fourth quarter ended December 31, 2006 net income of \$239.2 million, or \$1.35 per fully diluted share. Earnings per share more than doubled from the first quarter of 2006, when the Company earned \$120.3 million or \$0.68 per fully diluted share.

Reported revenues for the first quarter were \$2,165.7 million, an increase of 4 percent from the fourth quarter of 2006 and an increase of 43 percent from the first quarter of 2006. Operating profit for the quarter was \$427.1 million or 19.7 percent of sales. Operating profit flow-through, or the increase in operating profit divided by the increase in revenue, was 53 percent from the fourth quarter of 2006 to the first quarter of 2007, and was 35 percent from the first quarter of 2006 to the first quarter of 2007.

Backlog for capital equipment orders for the Company's Rig Technology segment at March 31, 2007 increased to \$6.4 billion, compared to \$6.0 billion at December 31, 2006, with new orders during the quarter of \$1.2 billion. The increase in the Company's backlog for capital equipment reflected the strong demand for its drilling equipment products, particularly for offshore rigs.

Pete Miller, Chairman, President and CEO of National Oilwell Varco, remarked, "We are off to a great start in 2007. The demand for our oilfield products and services remained strong during the quarter, and we believe that activity will continue to grow internationally. We expect demand for our drilling equipment, particularly for international offshore projects, to remain strong into 2007. Our record backlog for drilling equipment continues to provide us with unprecedented visibility. We remain optimistic about our opportunities for this year."

Stock-based compensation expenses have been allocated to the respective business segments and unallocated expenses for all periods presented in the "Operating Profit — Supplemental Schedule (Unaudited)" table below.

Rig Technology

First quarter revenues for the Rig Technology segment were \$1,219.8 million, an increase of 7 percent over the fourth quarter of 2006 and an increase of 71 percent from the first quarter of 2006. Operating profit for this segment, after the effect of allocating stock-based compensation expenses to the segment, was \$268.8 million, or 22 percent of sales, an increase of 19 percent from the fourth quarter. Operating profit flow-through from the fourth quarter of 2006 to the first quarter of 2007 was 52 percent, and operating profit flow-through from the first quarter of 2006

to the first quarter of 2007 was 35 percent. Revenue out of backlog for the segment rose 2 percent sequentially and 88 percent year-over-year, to \$790 million for the first quarter of 2007.

Petroleum Services & Supplies

Revenues for the first quarter of 2007 for the Petroleum Services & Supplies segment were \$691.8 million, up 3 percent compared to fourth quarter results and up 28 percent from the first quarter of 2006. The segment benefited from strong results in both North American and international markets, and the acquisition of NQL in late 2006. Operating profit after the effect of allocating stock-based compensation expenses to the segment was \$171.0 million, or 24.7 percent of revenue, an increase of 5 percent from the fourth quarter. Operating profit flow-through from the fourth quarter of 2006 to the first quarter of 2007 was 34 percent, and operating profit flow-through from the first quarter of 2006 to the first quarter of 2007 was 37 percent.

Distribution Services

The Distribution Services segment generated first quarter revenues of \$351.9 million, representing a 5 percent decrease from the fourth quarter and an 8 percent increase from the first quarter of 2006. First quarter operating profit, after the effect of allocating stock-based compensation expenses to the segment, was \$24.9 million or 7.1 percent of sales, \$3.5 million lower than the fourth quarter and \$4.5 million higher than the first quarter of 2006.

The Company has scheduled a conference call for April 27, 2007, at 10:00 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 303-262-2052 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, 2007 (Unaudited)	December 31, 2006
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,190.2	\$ 957.4
Receivables, net	1,682.1	1,614.6
Inventories, net	1,993.1	1,828.8
Costs in excess of billings	374.7	308.9
Deferred income taxes	106.7	101.6
Prepaid and other current assets	187.0	154.3
Total current assets	5,533.8	4,965.6
Property, plant and equipment, net	1,047.5	1,022.1
Deferred income taxes	59.3	56.1
Goodwill	2,278.1	2,244.7
Intangibles, net	725.7	705.2
Other assets	25.7	25.6
	<u>\$ 9,670.1</u>	<u>\$ 9,019.3</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 572.5	\$ 505.2
Accrued liabilities	1,408.1	1,420.2
Billings in excess of costs	733.3	564.4
Current portion of long-term debt and short-term borrowings	107.8	5.6
Accrued income taxes	193.4	169.8
Total current liabilities	3,015.1	2,665.2
Long-term debt	737.8	834.7
Deferred income taxes	437.9	389.0
Other liabilities	71.2	71.4
Total liabilities	4,262.0	3,960.3
Commitments and contingencies		
Minority interest	39.8	35.5
Stockholders' equity:		
Common stock — par value \$.01; 177,290,970 and 175,571,663 shares issued and outstanding at March 31, 2007 and December 31, 2006	1.8	1.8
Additional paid-in capital	3,521.9	3,461.7
Accumulated other comprehensive income	60.2	46.1
Retained earnings	1,784.4	1,513.9
	<u>5,368.3</u>	<u>5,023.5</u>
	<u>\$ 9,670.1</u>	<u>\$ 9,019.3</u>

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

	Three Months Ended March 31,	
	2007	2006
Revenue:		
Rig technology	\$ 1,219.8	\$ 715.3
Petroleum services and supplies	691.8	541.0
Distribution services	351.9	326.5
Eliminations	(97.8)	(71.0)
Total revenue	2,165.7	1,511.8
Gross profit	615.0	349.8
Gross profit %	28.4%	23.1%
Selling, general, and administrative	187.9	144.1
Integration costs	—	7.9
Operating profit	427.1	197.8
Interest and financial costs	(12.3)	(13.6)
Interest income	9.1	1.7
Other income (expense), net	(2.9)	(3.0)
Income before income taxes and minority interest	421.0	182.9
Provision for income taxes	140.7	61.3
Income before minority interest	280.3	121.6
Minority interest in income of consolidated subsidiaries	4.4	1.3
Net income	<u>\$ 275.9</u>	<u>\$ 120.3</u>
Net income per share:		
Basic	<u>\$ 1.57</u>	<u>\$ 0.69</u>
Diluted	<u>\$ 1.55</u>	<u>\$ 0.68</u>
Weighted average shares outstanding:		
Basic	<u>175.9</u>	<u>174.6</u>
Diluted	<u>177.6</u>	<u>176.6</u>

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

	Three Months Ended		
	March 31,		December 31,
	2007	2006	2006
Revenue:			
Rig technology	\$ 1,219.8	\$ 715.3	\$ 1,136.5
Petroleum services and supplies	691.8	541.0	670.0
Distribution services	351.9	326.5	370.5
Eliminations	(97.8)	(71.0)	(98.3)
Total Revenue	<u>\$ 2,165.7</u>	<u>\$ 1,511.8</u>	<u>\$ 2,078.7</u>
Operating profit:			
Rig technology	\$ 268.8	\$ 93.7	\$ 225.5
Petroleum services and supplies	171.0	115.1	163.6
Distribution services	24.9	20.4	28.4
Unallocated expenses and eliminations	(37.6)	(31.4)	(36.3)
Total operating profit	<u>\$ 427.1</u>	<u>\$ 197.8</u>	<u>\$ 381.2</u>
Operating profit %:			
Rig technology	22.0%	13.1%	19.8%
Petroleum services and supplies	24.7%	21.3%	24.4%
Distribution services	7.1%	6.2%	7.7%
Other unallocated	—	—	—
Total operating profit	<u>19.7%</u>	<u>13.1%</u>	<u>18.3%</u>

Note: Stock-based compensation expense and integration costs have been allocated to the respective business segments and unallocated expenses for all periods presented.

NATIONAL OILWELL VARCO, INC.
OPERATING PROFIT — 2006 SUPPLEMENTAL SCHEDULE (Unaudited)
(In millions)

	2006				Year End
	1Q	2Q	3Q	4Q	2006
Revenue:					
Rig technology	\$ 715.3	\$ 845.8	\$ 887.3	\$ 1,136.5	\$ 3,584.9
Petroleum services and supplies	541.0	589.9	624.1	670.0	2,425.0
Distribution services	326.5	319.1	353.5	370.5	1,369.6
Eliminations	(71.0)	(97.4)	(87.0)	(98.3)	(353.7)
Total Revenue	<u>\$ 1,511.8</u>	<u>\$ 1,657.4</u>	<u>\$ 1,777.9</u>	<u>\$ 2,078.7</u>	<u>\$ 7,025.8</u>
Operating profit:					
Rig technology	\$ 93.7	\$ 134.1	\$ 155.2	\$ 225.5	\$ 608.5
Petroleum services and supplies	115.1	127.0	139.9	163.6	545.6
Distribution services	20.4	20.2	25.0	28.4	94.0
Unallocated expenses and eliminations	(31.4)	(34.7)	(34.6)	(36.3)	(137.0)
Total operating profit	<u>\$ 197.8</u>	<u>\$ 246.6</u>	<u>\$ 285.5</u>	<u>\$ 381.2</u>	<u>\$ 1,111.1</u>
Operating profit %:					
Rig technology	13.1%	15.9%	17.5%	19.8%	17.0%
Petroleum services and supplies	21.3%	21.5%	22.4%	24.4%	22.5%
Distribution services	6.2%	6.3%	7.1%	7.7%	6.9%
Other unallocated	—	—	—	—	—
Total operating profit	<u>13.1%</u>	<u>14.9%</u>	<u>16.1%</u>	<u>18.3%</u>	<u>15.8%</u>

Note: Stock-based compensation expense and integration costs have been allocated to the respective business segments and unallocated expenses for all periods presented.

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

	Three Months Ended		
	March 31,		December 31,
	2007	2006	2006
Reconciliation of EBITDA (Note 1):			
GAAP net income	\$ 275.9	\$ 120.3	\$ 239.2
Provision for income taxes	140.7	61.3	127.3
Interest expense	12.3	13.6	12.1
Depreciation and amortization	47.3	38.4	41.9
Integration costs	—	7.9	—
EBITDA (Note 1)	\$ 476.2	\$ 241.5	\$ 420.5

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