

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: February 12, 2004
(Date of earliest event reported)

NATIONAL-OILWELL, INC.
(Exact name of registrant as specified in its charter)

FILE NO. 1-12317
(Commission File Number)

DELAWARE
(State of incorporation)

76-0475815
(I.R.S. Employer
Identification Number)

10000 RICHMOND AVENUE
HOUSTON, TEXAS
(Address of principal
executive offices)

77042-4200
(Zip Code)

Registrant's telephone, including area code: (713) 346-7500

ITEM 12. RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On February 12, 2004 National-Oilwell, Inc. issued a press release containing earnings information for the three months and full year ended December 31, 2003. A copy of the press release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

SIGNATURE

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 thereunto duly authorized.

NATIONAL-OILWELL, INC.

Date: February 12, 2004

/s/ Steven W. Krablin

Steven W. Krablin
Vice President and Chief Financial Officer

EXHIBIT INDEX

EXHIBIT
NO.

DESCRIPTION

- -----

-- 99.1
Press
Release
dated
February
12, 2004.

[NATIONAL OILWELL LOGO]

NEWS

CONTACT: STEVE KRABLIN

(713) 346-7773

FOR IMMEDIATE RELEASE

NATIONAL OILWELL REPORTS FOURTH QUARTER AND 2003 EARNINGS

HOUSTON, TX, February 12, 2004--National-Oilwell, Inc. (NYSE: NOI) today reported fourth quarter revenues of \$530 million and net income of \$14.6 million, or \$0.17 per diluted share, after fourth quarter charges described below which total \$10.7 million (\$0.13 per share). Full year revenues exceeded \$2 billion, and net income after the charges was \$76.8 million, or \$0.90 per share.

The Company recorded an after tax charge of \$6.9 million (\$0.08 per share) to correct an accumulated three-year clearing account problem within the Distribution segment's SAP purchasing system. SAP was installed in 1999, and a detail reconciliation problem began in the second quarter of 2000 and continued undetected until the third quarter of 2003. Process changes have been implemented to prevent any recurrence of this situation.

Fourth quarter results also included after tax charges to catch up depreciation and amortization expense primarily related to finalization of purchase accounting of \$1.6 million (\$0.02 per share) within the Products and Technology Group and \$0.5 million (\$0.01 per share) within the Distribution Services Group. Products and Technology also recorded a \$1.7 million (\$0.02 per share) after tax charge resulting from an annual analysis of foreign pension accounting. An analysis of the provision for income tax for 2003 determined that the proper rate for the full year was 29%, and the fourth quarter contains a lower than normal tax provision to reflect this full year rate.

Backlog of capital equipment orders totaled \$339 million at December 31, 2003, essentially the same as at the end of the third quarter, as revenues from backlog of \$151 million approximated new orders into backlog of \$150 million.

PRODUCTS AND TECHNOLOGY GROUP

Revenues of \$349 million in the fourth quarter are at a record pace, up 10% over the third quarter of 2003 even though revenues from capital equipment were essentially flat. Absent the charges discussed above, operating income also improved sequentially by a similar percent.

-more-

DISTRIBUTION SERVICES GROUP

Revenues again exceeded \$200 million and were up slightly from the third quarter of 2003. In addition to the charges discussed above, operating income declined from the third quarter due to a number of individually small year-end adjustments, including severance and inventory charges.

Pete Miller, president and CEO of National Oilwell, stated "Each of our business groups, and each of the operations within a business group, achieved sequential top line growth over the third quarter of 2003. Except for the non-cash charge to Distribution and other normal year-end adjustments, consolidated operating results also improved. We continue to see good demand for our capital equipment from international markets, and we are optimistic about the prospects for 2004 and beyond. As an example of current market strength, we currently are quoting on ten offshore premium jackups that we believe will become firm projects in 2004."

The Company has scheduled a conference call today at 10:00 a.m. Central Time to discuss fourth quarter results. The call will be broadcast through the Investor Relations link on National Oilwell's web site at www.natoil.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 617-786-2962 (participant code: 78182453) five to ten minutes prior to the scheduled start time.

National Oilwell is a worldwide leader in the design, manufacture and sale of comprehensive systems and components used in oil and gas drilling and production, as well as in providing 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 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-

The following table sets forth comparative data (in thousands, except per share data):

Quarter	
Ended	
Quarter	
Ended Full	
Year Ended	
September	
30,	
December	
31,	
December	
31, -----	

2003 2003	
2002 2003	
2002 -----	

Revenues	

Products	
and	
Technology	
Group \$	
318,707 \$	
349,045 \$	
238,088	
\$1,314,692	
\$ 917,250	

Distribution	
Services	
Group	
206,947	
211,424	
174,194	
791,964	
686,174	

Eliminations	
(27,054)	
(30,123)	
(18,641)	
(101,736)	
(81,478) --	

Total \$	
498,600 \$	
530,346 \$	
393,641	
\$2,004,920	
\$1,521,946	

Operating	
Income	
Products	
and	

Technology	
Group \$	
42,390 \$	
42,437 (1)	
\$ 31,253 \$	
165,078 (1)	
\$ 127,011	

Distribution	
Services	

Group 4,757
\$ (8,475)
(2) \$ 4,293
\$ 6,497 (2)
\$ 18,083
Corporate
(3,306) \$
(3,204) \$
(3,078) \$
(12,587) \$
(10,771) --

Total \$ 43,841 \$ 30,758 \$ 32,468 \$ 158,988 \$ 134,323 Net Income \$ 22,714 \$ 14,581 \$ 17,167 \$ 76,821 \$ 73,069 Average diluted shares outstanding 85,198 85,277 81,743 84,985 81,709 Net income per diluted share \$ 0.27 \$ 0.17 (1)(2) \$ 0.21 \$ 0.90 (1)(2) \$ 0.89 Backlog for capital equipment at quarter end \$ 340,000 \$ 339,000 \$ 364,000 \$ 339,000 \$ 364,000

- (1) Includes \$2,238 (\$1,611, or \$0.02 per share, after tax) charge for depreciation and amortization relative to purchase price accounting of acquisitions and \$2,427 (\$1,699, or \$0.02 per share, after tax) to adjust foreign pension expense.
- (2) Includes \$10,641 (\$6,917, or \$0.08 per share, after tax) charge to correct purchasing system clearing account and \$742 (\$482, or \$0.01 per share, after tax) charge for depreciation adjustment.

Condensed Balance Sheet Data:

	Quarter Ended	Quarter Ended
September		
30, December		
31, -----		

2003 2003		
2002 -----		

Cash and
cash
equivalents
\$ 74,295 \$
74,217 \$
118,338
Other
current
assets
1,136,893
1,166,510
996,730 -----

Total
current
assets
1,211,188
1,240,727
1,115,068
Net
property,
plant and
equipment
230,373
248,205
208,420
Other assets
713,448
731,125
645,174 -----

Total assets
\$ 2,155,009
\$ 2,220,057
\$ 1,968,662
Current
liabilities
\$ 409,932 \$
413,580 \$
346,216
Long-term
debt 571,126
610,152
594,637
Other long-
term
liabilities
84,676
95,755
84,841 -----

Total
liabilities
1,065,734
1,119,487
1,025,694
Minority
interest
13,643
15,748 9,604
Shareholders'
equity
1,075,632
1,084,822
933,364 -----

Total
liabilities
and equity \$
2,155,009 \$

2,220,057 \$
1,968,662

#