
**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**

February 25, 2005 (February 25, 2005)
Date of Report (Date of earliest event reported)

NATIONAL-OILWELL, 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: **713-346-7775**

(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 February 25, 2005, National-Oilwell, Inc. issued a press release announcing earnings for the quarter and full year ended December 31, 2004 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, Inc. press release dated February 25, 2005 announcing the earnings results for the fourth quarter and full year ended December 31, 2004.

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: February 25, 2005

NATIONAL-OILWELL, INC.

/s/ Steven W. Krablin

Steven W. Krablin

Sr. Vice President and Chief Financial Officer

INDEX TO EXHIBITS

Exhibit No.	Description
99.1	National-Oilwell, Inc. press release dated February 25, 2005 announcing the earnings results for the fourth quarter and full year ended December 31, 2004.



NEWS

**Contact: Steve Krablin
(713) 346-7773**

FOR IMMEDIATE RELEASE

NATIONAL OILWELL REPORTS RECORD REVENUES AND BACKLOG

HOUSTON, TX, February 25, 2005^{3/4}National-Oilwell, Inc. (NYSE: NOI) today reported fourth quarter revenues of \$669.5 million and net income of \$50.0 million, or \$0.58 per diluted share. Full year 2004 revenues were \$2.3 billion, and net income was \$110.2 million, or \$1.27 per share.

Included in fourth quarter and full year net income were tax benefits resulting primarily from the enactment of the American Jobs Creation Act of 2004 that increased net income by approximately \$15 million, or \$0.17 per share.

Backlog of capital equipment orders increased to \$605 million at December 31, 2004, compared to \$575 million at September 30, 2004, and \$339 at December 31, 2003.

Products and Technology Group

Fourth quarter revenues for this group increased to \$465.9 million, up 11% sequentially and 34% over the fourth quarter 2003. Of the \$48 million revenue increase compared to the third quarter, \$13 million resulted from an increase in capital equipment from backlog revenues. Operating income for the quarter was \$54.0 million, a 20% sequential increase.

Distribution Services Group

Continuing their growth over the last eight quarters, Distribution revenues for the fourth quarter were \$235.3 million. Fourth quarter operating profit of \$9.0 million represented another sequential improvement as a percentage of revenues.

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Pete Miller, President and CEO of National Oilwell, stated "Our revenues and operating results showed continuing improvement and strength throughout 2004, and have set the stage for an even stronger performance in 2005. Our non capital businesses were responsible for much of our improvement this past year, and while we expect continued improvements from these, we believe 2005 will be heavily influenced by capital equipment orders. Our year end backlog of orders, especially from international markets, grew steadily last year, exceeding \$600 million at year end. New order additions in 2004 were \$961 million, and we believe 2005 will see new orders of capital equipment of at least \$1.0 – 1.2 billion. Already in the first two months of 2005 we have received over \$200 million in capital orders, also primarily from international customers."

Merger with Varco

Stockholder meetings have been scheduled for March 11, 2005 by National Oilwell and Varco for their respective stockholders to vote on the proposed merger of the two companies. A joint proxy/prospectus regarding this proposed merger was mailed to stockholders on or about February 9, 2005. Closing of this transaction will occur immediately after receipt of stockholder approval and required regulatory approvals.

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 303-262-2131 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.

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

	Quarter Ended December 31,		Quarter Ended September 30,	Full Year Ended December 31,	
	2004	2003	2004	2004	2003
Revenues					
Products and Technology Group	\$ 465.9	\$ 349.0	\$ 418.4	\$ 1,537.0	\$ 1,314.7
Distribution Services Group	\$ 235.3	211.4	\$ 233.3	\$ 905.1	\$ 791.9
Eliminations	\$ (31.7)	(30.1)	\$ (32.8)	\$ (124.0)	\$ (101.7)
Total	\$ 669.5	\$ 530.3	\$ 618.9	\$ 2,318.1	\$ 2,004.9
Operating Income					
Products and Technology Group	\$ 54.0	\$ 44.9	\$ 45.0	\$ 157.4	\$ 165.1
Distribution Services Group	\$ 9.0	\$ (3.7)	\$ 8.4	\$ 29.6	\$ 6.5
Corporate	\$ (7.6)	\$ (3.2)	\$ (4.3)	\$ (18.4)	\$ (12.6)
Total	\$ 55.4	\$ 38.0	\$ 49.1	\$ 168.6	\$ 159.0
Net Income	\$ 50.0	\$ 19.5	\$ 27.8	\$ 110.2	\$ 76.8
Average diluted shares outstanding	86.9	85.3	86.7	86.5	85.0
Net income per diluted share	\$ 0.58	\$ 0.23	\$ 0.32	\$ 1.27	\$ 0.90
Backlog for capital equipment at quarter end	\$ 605.0	\$ 339.0	\$ 575.0	\$ 605.0	\$ 339.0
Condensed Balance Sheet Data:					
Cash and cash equivalents	\$ 142.7	\$ 74.2	\$ 73.4		
Other current assets	\$ 1,386.2	1,172.2	1,242.1		
Total current assets	\$ 1,528.9	1,246.4	1,315.5		
Net property, plant and equipment	\$ 252.4	252.3	242.6		
Other assets	\$ 782.0	744.0	789.8		
Total assets	\$ 2,563.3	\$ 2,242.7	\$ 2,347.9		
Current liabilities	\$ 777.0	\$ 452.2	\$ 650.9		
Long-term debt	\$ 350.0	594.0	350.0		
Other long-term liabilities	\$ 124.0	90.4	148.9		
Total liabilities	\$ 1,251.0	\$ 1,136.6	\$ 1,149.8		
Minority interest	\$ 17.8	\$ 15.7	\$ 16.9		
Shareholders' equity	\$ 1,294.5	\$ 1,090.4	\$ 1,181.2		
Total liabilities and equity	\$ 2,563.3	\$ 2,242.7	\$ 2,347.9		

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