



the business of sustainability

Mohawk Industries, Inc. 2008 Annual Report



Corporate Profile

From its beginning as a carpet and rug manufacturer, Mohawk Industries has evolved into one of the world's leading flooring companies. Its full line of flooring products includes tufted and woven carpet, rugs, ceramic tile, laminate, stone, wood, resilient and carpet cushion. Mohawk is headquartered in Calhoun, Georgia. Its shares trade on the New York Stock Exchange under the ticker symbol "MHK."

Financial Highlights

(in thousands, except per share data)

Years Ended December 31,	2008	2007	2006	2005	2004
Net sales	\$ 6,826,348	7,586,018	7,905,842	6,620,099	5,880,372
Gross profit	1,737,764	2,114,784	2,231,311	1,768,246	1,624,243
Operating (loss) income^(a)	(1,124,134)	750,106	839,060	672,384	638,992
Net (loss) earnings^{(a) (b)}	\$(1,458,228)	706,814	455,833	387,138	370,797
Basic (loss) earnings per share^{(a) (b)}	\$ (21.32)	10.37	6.74	5.78	5.56
Diluted (loss) earnings per share^{(a) (b)}	\$ (21.32)	10.32	6.70	5.72	5.49
Balance sheet data:					
Receivables, net	\$ 696,284	821,113	910,021	874,654	684,123
Inventories	1,168,272	1,276,568	1,225,874	1,215,427	1,021,385
Total current assets	2,246,249	2,449,720	2,412,726	2,414,989	1,810,200
Property, plant and equipment, net	1,925,742	1,975,721	1,888,088	1,810,728	905,332
Goodwill and intangibles^(a)	2,247,284	3,969,208	3,879,733	3,796,060	1,699,995
Total assets^{(a) (b)}	\$ 6,446,175	8,680,050	8,212,209	8,066,025	4,429,993
Accounts payable and accrued expenses	\$ 782,131	951,061	1,053,444	1,024,093	646,534
Total current liabilities	876,916	1,211,500	1,629,578	1,137,902	837,875
Long-term debt (including current portion)	1,954,786	2,281,834	2,783,681	3,308,370	891,341
Stockholders' equity	3,153,803	4,707,357	3,715,263	3,058,238	2,668,512
Total liabilities and stockholders' equity	\$ 6,446,175	8,680,050	8,212,209	8,066,025	4,429,993
Cash flow data:					
Net cash provided by operating activities	\$ 570,034	875,077	782,045	561,544	242,837
Depreciation and amortization	295,054	306,437	274,952	150,657	123,088
Capital expenditures	\$ 217,824	163,076	165,769	247,306	106,601
Acquisitions	8,276	147,097	70,907	2,613,529	14,998
Working capital	\$ 1,369,332	1,238,220	783,148	1,277,087	972,325
Changes in debt	(333,112)	(534,201)	(602,659)	2,334,009	(121,072)

The year 2008 consolidated financial statements and management's discussion and analysis of financial condition and results of operations are provided in the Company's 2009 Proxy Statement under Appendix A.

(a) In 2008, the Company recorded a pre-tax impairment charge related to goodwill and other intangibles of \$1,543,397 and a pre-tax business restructuring charge of \$29,670.

(b) During the fourth quarter of 2007, the Company implemented a change in residency of one of its foreign subsidiaries. This tax restructuring resulted in a step-up in the subsidiary's taxable basis, which resulted in the recognition of a deferred tax asset of approximately \$245,000 and a related income tax benefit of approximately \$272,000. During the third quarter of 2008, the Company recorded a valuation allowance of approximately \$253,000 against the deferred tax asset described above.

Our business has been sustaining itself for generations. This is an important fact to remember in tough times such as these. When it comes to managing through a down cycle – even a protracted one – we have the experience, the discipline and the balance sheet necessary to sustain our business through the cycle. In fact, we are confident that our actions to sustain the business through these challenging times will make us an even stronger and more formidable competitor when recovery begins.

These actions include continual alignment of our infrastructure with market demand, improved management of working capital and limiting capital investments to only those promising significant sales, margin or business process improvements. Our ability to execute these measures well and in a timely manner is certainly a core competency that we have honed through years of experience.



Jeffrey Lorberbaum
Chairman, Chief Executive
Officer and President

The economic climate in 2008 tested this experience as never before. The year was the toughest yet in a cyclical decline that began in 2006 with the contraction of the residential housing market. Further credit tightening, declining consumer confidence and increasing costs exacerbated conditions during 2008. In addition, the European economy weakened significantly.

Our financial results reflect the year's market deterioration. Mohawk posted net sales of \$6.8 billion for fiscal year 2008, compared to \$7.6 billion in fiscal 2007. Our reported operating loss of \$1.124 billion for the year included non-cash goodwill and intangible charges of \$1.543 billion and a business restructuring charge of \$30 million. Excluding these charges, operating income was \$449 million. Net loss for the year was \$1.458 billion, which included the charges above and a deferred tax impairment charge of \$253 million.

We are gratified to report that Mohawk's capital structure remained solid. Debt to capitalization was 38 percent at year-end. Cash flow from operations of \$570 million helped to fund \$333 million in debt reduction in 2008.

We have been, and will continue to be, relentless in our search to improve productivity, enhance quality and invest in products and assets that advance our future.

Balancing Challenges With Strengths

No area of our business has been immune to this challenging market. Though all three of our business segments experienced year-over-year declines, our balanced business model continues to mitigate market dynamics to a degree. Leadership positions in every major flooring category, broad distribution in major channels, and respected brands and products across a range of price points provide us with the diversification necessary to capitalize on the strongest segments of the market at any given time.

In the Mohawk segment, for example, performance in the commercial market during the first half of the year helped to offset weak residential demand. The same dynamic was true for Dal-Tile. In fact, our presence in the ceramic tile and stone market enabled Dal-Tile to gain further share despite an overall market decline. After a reasonably good first half of 2008, Unilin experienced a difficult second half as the European economy began to decline in the third quarter. Yet, demand for laminate flooring in Eastern Europe and Russia provided a partial counterbalance to weakened sales in Western Europe where Unilin's premium brand position helped it continue to perform.

Building an Even Better Company

We have learned an invaluable lesson during market downturns such as this: even the best-run business can always be better run. To this end, we have been, and will continue to be, relentless in our search to improve productivity, enhance quality and invest in products and assets that advance our future. No action is too small, and we have implemented dozens of initiatives throughout the Company.

In carpet manufacturing, we have replaced older fiber extrusion assets with new equipment that is more flexible and efficient. Distribution costs across all businesses have been attacked in a variety of ways, such as by improving the load factor of trucks. Our go-to-market processes are stronger. We have consolidated our brands and sales forces in the commercial carpet business, while further developing our presence in the multi-family channel in the residential carpet and ceramic tile business. Innovation remains critical as we compete in a constrained marketplace. Unilin, for example, continues to unveil industry firsts, such as its new Unilink technology that easily replicates the staggered look of hardwood plank flooring.

Finally, running a better business also means running a responsible business, particularly as it relates to environmental sustainability. We have long said that what works for the environment can work for our business. This statement has never been truer. On the top line, we increasingly find that many of our retail and commercial customers require environmentally friendly products and processes in order to do business with them. On the bottom line, our quest for cost efficiencies often results in a positive environmental impact through energy and water conservation and waste stream management.

Investing for the Long Run

Though the nature of our initiatives varies widely, every action we take is designed to strengthen Mohawk competitively so that we can capitalize fully when the market recovers. While we are managing through the current environment and limiting our capital expenditures until we have more visibility into the future, we also are focused on the long-term.

Since 2001, we have doubled our sales through major acquisitions and internal growth. Our operations have reached a degree of complexity and scale that requires new tools and processes to accelerate further growth. Accordingly, key priorities in our corporate operations include enhancing the Company's management structure, improving working capital deployment and upgrading information systems and reporting tools.

Though the Mohawk product line now encompasses every major flooring category in North America, we are by no means finished with expansion. We continue to explore new product categories in North America that might complement our existing business portfolio. Our plan also looks to new opportunities in emerging markets, such as Russia, China and Mexico. Already, Dal-Tile has found success expanding its ceramic tile presence in Mexico, while Unilin provides us with a strong Western European presence to leverage into adjacent markets.

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Sustaining by Moving Forward

The business of sustainability, by definition, requires an organization to manage its resources well, to deal with matters at hand effectively and to continue moving forward, no matter what. This certainly defines Mohawk during the past three years. We are withstanding one of the most difficult cycles in industry history, while also moving forward to deliver innovation and value. This is no time to stand still. We remain energized by two certainties – the market will recover, and it will find Mohawk to be an even better business. To our shareholders, customers and employees, we appreciate your commitment and support, which enable us to sustain our business on your behalf.

Sincerely,



Jeffrey Lorberbaum

Chairman, Chief Executive Officer and President

April 6, 2009

company overview:

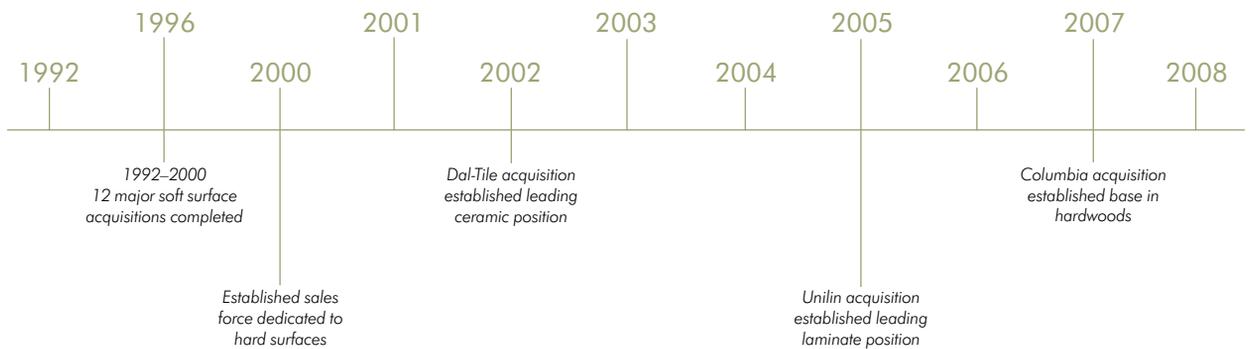
about our businesses

Mohawk Industries At-A-Glance

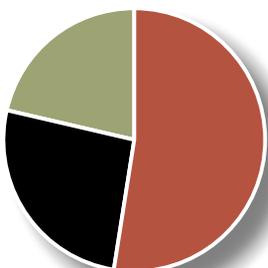
Mohawk	Dal-Tile	Unilin
<ul style="list-style-type: none"> • One of the oldest flooring brands and one of the largest carpet suppliers in the world. Operations are vertically integrated from fiber production through marketing. • Residential collections include Aladdin, Horizon and WundaWeve, as well as the premium Ralph Lauren and Karastan brands. • The commercial division encompasses a family of four brands – Lees, Bigelow, Durkan and Karastan – each targeted to specific market sectors. • The Mohawk brand also extends to hard surfaces, including ceramic tile, laminate and hardwood flooring, and to carpet cushion and floor care products. • Mohawk Home is the largest supplier of rugs and mats in the North American market. 	<ul style="list-style-type: none"> • The largest supplier of ceramic tile and natural stone in the North American residential and commercial markets. • Vertically integrated operations that include seven manufacturing facilities in the United States and one in Mexico. • Dal-Tile brand products are distributed through more than 250 company-owned service centers as well as independent distributors and home improvement retail centers. • The American Olean brand is available through a network of independent distributors and dealers. • Collections encompass glazed and unglazed tile, glazed and unglazed ceramic mosaics, glazed porcelain tile, unglazed quarry tile and a variety of stone products. 	<ul style="list-style-type: none"> • One of the world’s leading suppliers of premium laminate flooring through its Quick-Step brand. • The industry leader in product innovation and installation techniques with a strong portfolio of intellectual property rights. • Headquartered in Belgium, Unilin laminate flooring is distributed through retailers and distributors in North America and Europe. • European product groups also include roofing systems and other wood products (chipboard, flax board and melamine-covered board) for construction, cabinet and furniture markets. • The segment also includes Columbia, a leading North American hardwood-flooring brand with vertically integrated operations.



Timeline



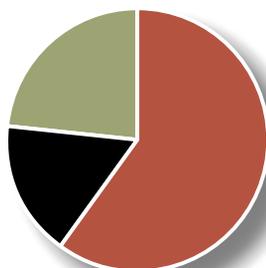
Mohawk Revenue by Segment—2008



- Mohawk – 52.5%
- Dal-Tile – 26.3%
- Unilin – 21.2%

Participation in multiple flooring categories creates a diverse revenue base.

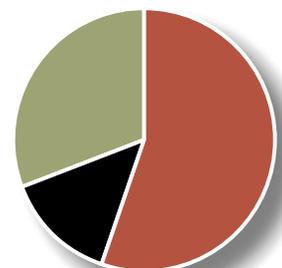
Mohawk Credit Facility Capacity by Source



- U.S. Revolver – 60.0%
- Europe Revolver – 16.9%
- Accounts Receivable Securitization – 23.1%

Total credit facility capacity at year-end 2008 was \$1.083 billion.

Industry Revenue by End-Use—2007



- Residential Replacement – 55.4%
- Residential New Construction – 13.8%
- Commercial – 30.8%

Commercial end-users have been a growing segment of the flooring market.



sustainable business:

the business of sustainability: how we manage it

A Conversation With Mohawk Senior Management

From a broad economic perspective, what type of stimulus is most important for an industry recovery?

Lorberbaum: In a word – housing. This downturn started with the housing collapse, and it will end with a housing rebound. A housing turnaround will benefit the flooring industry, and, history has shown, also will benefit the overall economy. A stable housing industry not only creates jobs and stimulates demand for housing materials, but also increases consumer confidence. For most people, their homes are their most important asset. If their home investment is secure, then they feel more secure.

Will there be any early signs in your business that an upturn is near?

Wellborn: Historically, residential remodeling is the first indicator. Homeowners who have postponed needed home improvements will begin to make them. Generally, these consumers tend to invest in higher-quality products – compared to speculative construction – since they are selecting flooring for themselves. So we will look closely for increased sales at higher price points in both soft and hard surfaces. Laminate sales, in particular, should be a good indicator since residential remodeling is the category's primary end-use.

What are your priorities for future cash flow in the near-term?

Boykin: Debt reduction is our first priority. Since the acquisition of Unilin in 2005, we have reduced debt by approximately \$1.5 billion as of the end of 2008. We will continue doing this. Given the economy and the credit markets, our solid cash flow and strong balance sheet are significant sources of reassurance to us these days.

Jeff Lorberbaum

Chairman, Chief Executive Officer and President
Mohawk Industries, Inc.

Mr. Lorberbaum's career spans over 30 years in the flooring industry. He was CEO of Aladdin Mills in 1994 when Mohawk acquired it. In 1995, Mr. Lorberbaum became president of the combined operations.



Chris Wellborn

Chief Operating Officer
Mohawk Industries, Inc.

Mr. Wellborn has been with Mohawk since the 2002 acquisition of Dal-Tile, where he had served as executive vice president and chief financial officer since 1997.

Are acquisitions or stock repurchases still being considered?

Lorberbaum: We are always evaluating both. There is no question, however, that we look at them from a much more conservative viewpoint in a tougher market environment.

The Company's last acquisition was Columbia's hardwood flooring business in 2007. How has the integration progressed?

Wellborn: Very well. We have made investments to increase automation and management synergies with Unilin and have moved previously imported product into our own production. We also have used our engineering expertise in laminate to enhance productivity and quality

in our wood plants. Finally, we have repositioned and relaunched the entire product line. The unfortunate news is that hardwood has been especially affected in this downturn since new home construction drives sales in this category. The good news is that Columbia will be in a strong position when the market turns and demand picks up.

In North America, the soft surface category already was under pressure from hard surfaces in terms of residential market share. Now, you are contending with a severe industry downturn. How is the residential side of Mohawk's carpet business responding?

Peters: We are closely attuned to industry trends and making them work in our favor. Polyester carpet,

for example, is gaining share in this market due to its high durability and lower price point, so we've expanded our product line accordingly. High-end, stylized product also has shown relative strength; so, again, we've directed more assets toward this category. We introduced a new brand, Properties™, exclusively for the builders of multi-family apartments. Carpet tiles continue to grow in popularity. We expect to expand our presence in this area of the market. Perhaps most importantly, we are working diligently to ensure that all of our products, across the board, meet the quality and value expectations of our customers.

Frank Boykin

Chief Financial Officer
Mohawk Industries, Inc.

A former senior manager with KPMG, Mr. Boykin joined Mohawk as corporate controller in 1993 and was named CFO in 2005.



Frank Peters

President
Mohawk Flooring

A veteran of the flooring industry, Mr. Peters joined Mohawk in 1993 and has served in senior management positions involving product development, carpet and yarn manufacturing before being named to his current post in 2008.

And in commercial soft surface, how is Mohawk differentiating itself?

Peters: Our goal is to be the most customer-centric organization in the market. For our commercial customers – architects, designers, corporate facility managers – time is money. Mohawk provides one-stop shopping for these customers with products that cover the basement, the boardroom and everything in between. Our sales organization is investing in training so that we can service customer needs even more effectively and in technological innovations such as our Drag and Fly™ Web tool, all with the goal of making it easier to do business with Mohawk.

How is Mohawk Home responding to the pressure in the retail segment?

Peters: As with every other part of Mohawk, we are focused on meeting the quality and value requirements of our customers. Interestingly, the economy has provided opportunities for our rug business. A new rug allows consumers to update their décor with limited investment. As a result, we have gained additional placements with our customer base. It's also worth noting that our customer base is strong – our top five customers are among the largest discount stores and home improvement centers in the world.

Dal-Tile is winning share in a down market. How are you accomplishing this?

Turk: The breadth and depth of our ceramic tile and stone business provides a strong foundation from which to expand. Our more than 250 service centers enable us to have a decentralized customer service operation that keeps us close to our customers. We can respond quickly to the needs of any customer, whether a small builder or a large home improvement center. We also have increased our concentration on major strategic accounts to generate as much volume as possible with these large existing customers.

Harold Turk

President
Dal-Tile

Mr. Turk joined Dal-Tile Corporation in 1976 and has served the Company in a variety of senior management positions.



Bernard Thiers

President
Unilin

Mr. Thiers was named President of Unilin in 2009 after spending 25 years with Unilin in leadership roles within the décor and flooring division.

Dal-Tile is a leading supplier of ceramic tile. With its current position, how much more market share is there to pursue?

Turk: Even though we are a leading U.S. supplier of ceramic tile, we enjoy only about 35 percent of the market, so there is ample new share to pursue. We would like to increase our presence in the cut-to-size commercial market, as well as to participate more in the resort hotel market. This category offers an opportunity to expand beyond our approximately 10 percent share. Industry trends also create opportunity. Tile has emerged as a key decorative fashion element in kitchens and bathrooms, and outdoor living is creating an entirely new space for us to expand into.

Margins have been quite strong since Mohawk acquired Unilin in 2005, but were down this year. What should we expect going forward?

Thiers: In 2006 and 2007, you saw the true strength of Unilin's business in a stable market. Our margins averaged approximately 18 percent, thanks to distribution expansion in North America and a strong European economy. In the second half of 2008, the continued residential housing slump in North America, combined with a significantly weaker European economy, resulted in less demand for laminate flooring on both continents. Despite all these factors, margins were still 12 percent, underscoring the strength of our premium laminate brands in all markets.

Unilin has operations on a variety of fronts. Where are you looking for growth in each of these?

Thiers: Combined, our brands are well-recognized players in a very fragmented North American laminate flooring market. We intend to pursue additional market share through a differentiated branding strategy for each distribution channel in North America. We are capitalizing on dynamics in Eastern Europe and Russia, where old residential stock needs updating. And finally, our roofing business in Europe is expanding with the addition of an insulation line. Unilin is fortunate to have significant opportunity in every part of its business.

Sustainable Leadership

Productivity and performance are not always easily pulled from a textbook. Rather, they often result from years of accumulated expertise. Mohawk is fortunate to have a senior management team whose combined experience with its businesses totals nearly 150 years. Bench strength also is strong: the current head of every operating segment has been promoted from within the Company's own ranks. Today, Mohawk's ranking in *Training* magazine's annual Top 125 list reflects the investment Mohawk makes in its management team. These training and leadership development programs ensure that we continue to cultivate talented professionals who are refining the skills needed to take the Company to even greater levels of productivity and performance in the future.





sustainable relationships:

we have
more than
30,000

Strong Customer Relationships

Large home improvement centers, independent flooring dealers, commercial builders – these customers and many more comprise a broad and diversified revenue base for Mohawk. Our ability to tailor brands and service offerings to the unique specifications of these different customer groups is one of our greatest strengths. We can pack ceramic bathroom tile to floor-by-floor specifications for a builder who is constructing a 30-story apartment tower. Or develop a unique product line to meet the needs of targeted consumers in an entire distribution channel. Or use the resources of Mohawk University to provide both general and customized training to the sales staff of flooring dealers. In every case, we strive to sustain our more than 30,000 relationships as if each customer were our only customer.

Mohawk provides its customers with a wealth of marketing materials to help customers make flooring selections.





sustainable markets:

our business

is part of an essential need



Food, Clothing and Shelter

By definition, every structure needs a floor, and most floors need covering. From large commercial spaces to traditional residential homes, both use a combination of surfaces to meet practical needs and make decorative statements. Though our industry is experiencing a cyclical downturn, the U.S. and European (including Russia) flooring markets remain sizeable ones. Together, they covered an estimated more than 60 billion square feet in 2007, representing a more than \$50-billion-dollar market. Our established leadership position across multiple categories in these markets creates ample opportunity to sustain our business by capturing new share in the years to come.

Retro, contemporary, traditional – the breadth and depth of our product portfolio covers every taste.



Outdoor living spaces are creating
a new category for Dal-Tile products.





sustainable brands:

we have a tradition of extending a **brand** into new opportunities



Quick-Step

One market leads to another

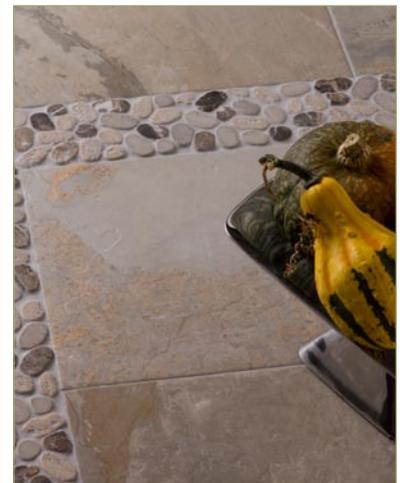
The brand that revolutionized laminate flooring with its patented Uniclic installation system and high-end, stylish looks has been a category leader in Europe for 20 years. In 2005, Mohawk acquired Unilin to accelerate the penetration of Quick-Step in North America, where today it is the leading premium laminate brand. ▲▼



Mohawk

Flagship brand spans flooring categories

The name has been synonymous with quality carpeting for years. Today, Mohawk encompasses a family of carpet and rug brands that includes Aladdin, WundaWeve, Horizon and Karastan. We have extended the Mohawk brand into hard surfaces such as hardwood, laminate and ceramic tile flooring, plus carpet cushion and floor care products. ◀



Dal-Tile

Leadership across every channel

With a long history of market leadership in commercial distribution channels, Dal-Tile has focused much of its growth strategy in recent years toward residential channels. Its efforts have paid off. Dal-Tile now commands over one-third of the market share in U.S. ceramic tile, greater than all other U.S. suppliers combined. ▲



sustainable products:

longevity is a function of constant innovation

New Ideas for Function and Fashion

Selection criteria for today's flooring is as much about design and décor as form and function. This means innovation that enhances product performance and style is essential. One of our most successful innovations has been SmartStrand® with DuPont™ Sorona®, launched just four years ago. This carpet fiber, which offers high levels of durability and stain resistance, is derived from plant-based materials – a renewable resource. Research conducted in 2008 showed that SmartStrand® already has attained retailer and consumer satisfaction levels that rival those of long-established, competing products. Innovation at Mohawk also extends to making business easier for our customers. Consider Drag and Fly.™ Mohawk's commercial carpet group introduced this Web-based software to enable designers to "drag and drop" carpet tile samples into their renderings – an industry first. By constantly anticipating consumer tastes, responding to what our customers need and making smart investments that lead to marketplace successes, Mohawk capitalizes on innovation to sustain its market leadership.

Green Carpeting

SmartStrand

with DuPont™ Sorona® renewably sourced polymer



Mohawk Reclaimed Hardwood Floors

Water-Saving Tile



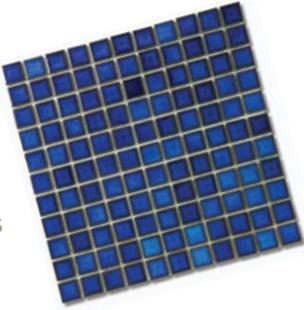


Unilin is the industry leader in innovative laminate products and installation techniques.

Great Flooring Can Also Be Green Flooring

Approximately ten percent of new commercial construction requires environmentally friendly processes and materials. This statistic, although still representing a modest share of new construction, does underscore growing customer demand for more sustainable flooring products. Though our product lines have long incorporated recycled content – soda pop bottles, automotive glass, scrap foam rubber and rubber tires to name a few – Mohawk is focused more than ever on developing products that incorporate sustainable materials.

Tile With Recycled Glass



earthworksCOLLECTION



Green Laminate



Mohawk believes that enhanced profitability and environmental sustainability are not mutually exclusive goals. More often than not, these goals go hand-in-hand. For example, packing a delivery truck to maximize its load and routing it to minimize its mileage is a win for cost effectiveness and for the environment. Incorporating recycled content in product manufacturing often results in reducing costs and preserving natural resources. Using lean manufacturing techniques to simplify a plant floor can lead to increased inventory turns and decreased energy usage. Mohawk has established a leading industry reputation for environmental responsibility through such efforts. In fact, one of the nation's leading discount retailers – recognized as a leader in corporate environmental advocacy – honored Mohawk Home with its first-ever vendor award for sustainability in 2008. Mohawk Home also received the 2008 Rising Environmental Steward Award from the Partnership for a Sustainable Georgia, and Mohawk Flooring won the 2009 Global Recycling Award from the Society of Plastic Engineers. These awards and others underscore the tremendous strides our Mohawk Greenworks commitment continues to make across all Mohawk operations. Visit www.mohawkgreenworks.com to learn more.

sustainable processes:

we can

do more
with less

State-of-the-art transportation systems that minimize mileage through efficient routing are fiscally and environmentally responsible.





board of directors

Jeffrey S. Lorberbaum

Chairman, Chief Executive Officer
and President

Phyllis O. Bonanno ^(c)

President and Chief Executive Officer
of International Trade Solutions, Inc.

Bruce C. Bruckmann ^{(a)(b)}

Managing Director
Bruckmann, Rosser, Sherrill & Co., Inc.
(a venture capital firm)

Frans De Cock

Former President
Unilin

John F. Fiedler ^(b)

Former Chairman and
Chief Executive Officer
Borg-Warner Automotive Inc.
(a manufacturer of automotive parts)

David L. Kolb ^(c)

Former Chairman and
Chief Executive Officer
Mohawk Industries, Inc.

Larry W. McCurdy ^{(a)(c)}

Former Chairman, President and
Chief Executive Officer of Echlin, Inc.
(a manufacturer of automotive parts)

Joseph A. Onorato ^(a)

Former Chief Financial Officer
of Echlin, Inc. (a manufacturer of
automotive parts)

Robert N. Pokelwaldt ^{(a)(b)}

Former Chairman and Chief
Executive Officer of York International
Corporation (a manufacturer of air
conditioning and cooling systems)

W. Christopher Wellborn

Chief Operating Officer

^(a) Audit Committee

^(b) Compensation Committee

^(c) Nominating and Corporate
Governance Committee

shareholder information

Corporate Headquarters

P.O. Box 12069
160 South Industrial Boulevard
Calhoun, Georgia 30703
(706) 629-7721

Independent Auditors

KPMG LLP
Atlanta, Georgia

Corporate Counsel

Alston & Bird LLP
Atlanta, Georgia

Transfer Agent and Registrar

American Stock Transfer
and Trust Company
Corporate Trust Client Services
1525 West W.T. Harris Blvd., 3C3
Charlotte, North Carolina 28262-8522
(704) 590-7390

Publications

The Company's Annual Report, Proxy Statement, Form 8-K, 10-K and 10-Q reports are available without charge and can be ordered via our stockholder communications service at (800) 625-7721 or via the Internet at www.mohawkind.com under Investor Information. Written requests should be sent to Deby Forbus at the Company's headquarters address above.

Product Inquiries

For more information about Mohawk's products, call toll-free: (800) 622-6227 or visit our website at www.mohawk-flooring.com.

Investor/Analyst Contact

For additional information about Mohawk, please contact Frank H. Boykin at (706) 624-2695 or at the Company's headquarters address above.

Annual Meeting of Shareholders

The Annual Meeting of Shareholders of Mohawk Industries, Inc., will be held at the Company's headquarters on South Industrial Boulevard in Calhoun, Georgia, on Wednesday, May 13, 2009, at 10:00 a.m. For directions and a map, call Deby Forbus at (706) 624-2246.

Common Stock Price Range

Mohawk's common stock is traded on the New York Stock Exchange under the symbol MHK. The table below sets forth the high and low sales prices per share of the common stock as reported by the exchange, for each fiscal period indicated.

Mohawk Common Stock

2008	High	Low
First Quarter	\$ 83.09	\$63.00
Second Quarter	80.29	64.01
Third Quarter	75.26	56.55
Fourth Quarter	69.47	23.91
2007	High	Low
First Quarter	\$ 94.35	\$75.15
Second Quarter	108.00	81.28
Third Quarter	103.73	80.32
Fourth Quarter	87.44	73.40

Environmental Commitment

Mohawk strives to be a leader in sustainability and environmental responsibility, with a determined focus on responsible use of raw materials, recycling, waste management and energy conservation throughout its business and operations.

Equal Opportunity

Mohawk is an Equal Opportunity/Affirmative Action employer committed to attracting a diverse pool of applicants.

NYSE Affirmation Certifications

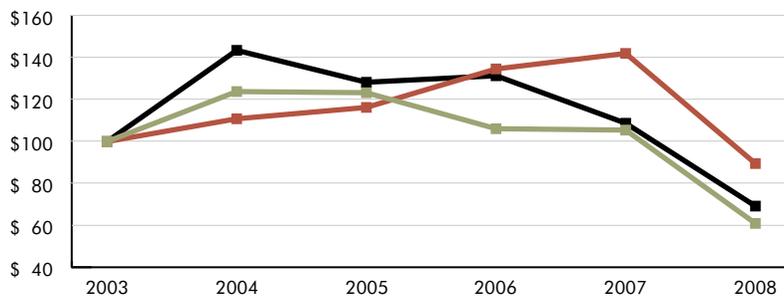
As a listed Company with the New York Stock Exchange ("NYSE"), Mohawk is subject to certain Corporate Governance standards as required by the NYSE and/or the Securities and Exchange Commission ("SEC"). Among other requirements, Mohawk's CEO, as required by Section 303A.12(a) of the NYSE Listing Company Manual, must certify to the NYSE each year whether or not he is aware of any violations by the Company of NYSE Corporate Governance listing standards as of the date of the certification. On June 5, 2008, Mohawk's CEO Jeffrey S. Lorberbaum, submitted such a certification to the NYSE which stated that he was not aware of any violation by Mohawk of the NYSE Corporate Governance listing standards.

The Company has filed the certifications of its Chief Executive Officer and Chief Financial Officer required by Section 302 of Sarbanes-Oxley Act of 2002 as an exhibit to the Company's Form 10-K for the fiscal year ended December 31, 2008.

Stock Performance Graph

The following is a line graph comparing the yearly percentage change in the Company's cumulative total stockholder returns to those of the Standard & Poor's 500 Index and a group of peer issuers beginning on December 31, 2003 and ending on December 31, 2008.

The peer group includes the following companies: The Black & Decker Corporation, Congoleum Corporation, Dixie Group, Inc., Interface, Inc., Leggett & Platt, Inc., MASCO Corporation and The Stanley Works. The Black & Decker Corporation and The Stanley Works are included in the peer group because these companies respond to economic changes similarly to the Company. Total return values were calculated based on cumulative total return, assuming the value of the investment in the Company's Common Stock and in each index on December 31, 2003 was \$100 and that all dividends were reinvested. The Company is not included in the peer group because management believes that, by excluding the Company, investors will have a more accurate view of the Company's performance relative to the peer companies.



	2003	2004	2005	2006	2007	2008
Mohawk Industries, Inc.	\$100.00	129.37	123.31	106.13	105.48	60.93
S&P 500 Index – Total Return	\$100.00	110.87	116.30	134.66	142.07	89.51
Peer Group Only	\$100.00	143.54	128.30	131.41	108.74	69.20

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