

MAKING THE MOST OF **E**very **E**nvironment



MOHAWK INDUSTRIES, INC. 2009 ANNUAL REPORT

Corporate Profile

Mohawk Industries, Inc., is one of the world's leading flooring companies with vertically integrated operations in North America and Europe. Our products and brands span every major flooring category across a wide range of price points and distribution channels. We are headquartered in Calhoun, Georgia, and our 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,	2009	2008	2007	2006	2005
Net sales	\$ 5,344,024	6,826,348	7,586,018	7,905,842	6,620,099
Gross profit	1,232,230	1,737,764	2,114,784	2,231,311	1,768,246
Operating (loss) income ^(a)	43,730	(1,124,134)	750,106	839,060	672,384
Net (loss) earnings attributable to					
Mohawk Industries, Inc. ^{(a) (b)}	\$ (5,499)	(1,458,228)	706,814	455,833	387,138
Basic (loss) earnings per share ^{(a) (b)}	\$ (.08)	(21.32)	10.37	6.74	5.78
Diluted (loss) earnings per share ^{(a) (b)}	\$ (.08)	(21.32)	10.32	6.70	5.72
Balance sheet data:					
Cash and cash equivalents	\$ 531,458	93,519	89,604	63,492	134,585
Receivables, net	673,931	696,284	821,113	910,021	874,654
Inventories	892,981	1,168,272	1,276,568	1,225,874	1,215,427
Total current assets	2,359,000	2,246,249	2,449,720	2,412,726	2,414,989
Property, plant and equipment, net	1,791,412	1,925,742	1,975,721	1,888,088	1,810,728
Goodwill and intangibles ^(a)	2,196,470	2,247,284	3,969,208	3,879,733	3,796,060
Total assets ^{(a) (b)}	\$ 6,391,446	6,446,175	8,680,050	8,212,209	8,066,025
Accounts payable and accrued expenses	\$ 831,115	782,131	951,061	1,053,444	1,024,093
Total current liabilities	884,022	876,916	1,211,500	1,629,578	1,137,902
Long-term debt (including current portion)	1,854,479	1,954,786	2,281,834	2,783,681	3,308,370
Total equity	3,234,282	3,184,933	4,738,843	3,744,468	3,078,522
Total liabilities and equity	\$ 6,391,446	6,446,175	8,680,050	8,212,209	8,066,025
Cash flow data:					
Net cash provided by operating activities	\$ 672,205	576,086	880,395	785,021	564,497
Depreciation and amortization	303,004	295,054	306,437	274,952	150,657
Capital expenditures	108,925	217,824	163,076	165,769	247,306
Acquisitions	5,924	8,276	147,097	70,907	2,613,529
Working capital ^(c)	\$ 1,474,978	1,369,333	1,238,220	783,148	1,277,087
Changes in debt	(103,558)	(333,112)	(534,201)	(602,659)	2,334,009

The year 2009 consolidated financial statements and management's discussion and analysis of financial condition and results of operations are provided in the Company's 2010 Proxy Statement under Appendix A.

(a) In 2009, the Company recorded pre-tax charges related to: discontinued carpet tiles of \$133,492, business restructurings of \$61,725 and \$61,794 related to unusually high raw material costs incurred in the latter part of 2008, flowing through cost of sales in the first quarter of 2009.

(b) During 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 2008, the Company recorded a valuation allowance of approximately \$253,000 against the deferred tax asset described above.

(c) Working capital defined as current assets less current liabilities.



From plush carpet in a cozy living room to miles of tile in a healthcare setting, Mohawk products help make the most of environments where people live and work. In the same spirit, we make the most of every business environment in which we operate. From capitalizing on opportunities when markets grow to managing costs when markets contract, Mohawk makes the most of every environment to deliver value to our customers and stockholders alike.

Letter to Stockholders

Adversity always creates its own set of opportunities. Our challenge during the past three years has been to make the best of what arguably was the worst environment in the history of the flooring industry. Mohawk is meeting this challenge and in the process will emerge with renewed strength.



Jeffrey S. Lorberbaum
Chairman and Chief Executive Officer

Today, Mohawk is a more efficient business and a stronger competitor than it was three years ago. Though market uncertainties remain as we enter 2010, our shareholders can be certain that Mohawk is in a solid position to capitalize fully on the opportunities that an improving market will offer.

Weak Demand Impacts Results

The decline that began in 2006 accelerated in 2009 as home sales, business investment, consumer discretionary spending and other key industry drivers were all sharply negative. Across Europe, conditions mirrored those in the U.S. with similar economic constraints affecting consumer decisions.

The residential replacement sector – our largest end-market – also continued to decline during 2009 as falling home prices and discretionary income prompted homeowners to postpone major remodeling projects. By the close of 2009, however, both home sales and consumer confidence showed improvement, metrics that historically have preceded increased investments in remodeling and flooring purchases.

Our best analysis indicates that the decline in the residential market is stabilizing, and we look forward to the resumption of industry growth.

Though commercial markets had helped mitigate residential weakness somewhat in recent years, commercial demand fell significantly in 2009. Commercial remodeling was delayed and relatively few new projects were started as corporations maintained tight controls on spending. Over the near term there is likely to be further contractions in the commercial sector. Current forecasts suggest that a recovery in this market is not likely to occur before 2011.

Our financial results, while reflecting the challenging environment, were favorably impacted by our ability to manage our business through this period. Mohawk recorded net sales of \$5.3 billion for 2009, compared to \$6.8 billion in 2008. Operating income for 2009 was \$301 million before and \$44 million after charges for restructuring, unusually high raw material costs in the latter part of 2008 flowing through our cost of sales in the first part of 2009, and discontinued carpet tile products.*

Gross margin benefited from lower freight costs, cost-containment measures, workforce reductions and plant consolidations. As 2009 drew to a close, raw material costs began to move upward, which resulted in the announcement of price increases to recover the rising costs of chemicals and other raw materials.

Mohawk's balance sheet at the end of 2009 remained a source of strength in this challenging environment. We enjoyed ample liquidity with more than \$500 million in cash and excellent borrowing flexibility through our new \$600 million bank facility. Over the past four years, we have reduced debt by \$1.6 billion. The Company generated significant cash from operations in 2009, with operating cash flow for the year of \$672 million, or 13 percent of net sales.

Initiatives Optimize Assets

Increased productivity is an opportunity that we have realized during this prolonged economic downturn. In 2009, we made difficult but necessary decisions to drive more efficiencies throughout the enterprise. We reduced selling, general and administrative expense by \$130 million from the prior year through a number of measures that included reducing company-wide headcount by 12 percent, limiting inventory and eliminating 4 million square feet by both cutting warehousing and shuttering multiple manufacturing facilities. This transition to a leaner, lower-cost structure will enable Mohawk to emerge in a stronger position when the economy improves.

The Company's position will be further enhanced by targeted investments designed to optimize our operations and sales efforts. These investments include additional capacity to serve new geographic areas and investments needed to support new products. We also are installing

** See page 24 for Non-GAAP Reconciliation*

Letter to Stockholders (continued)



new systems that will better manage product distribution, customer relationships and our sales force.

I am also pleased that we are achieving considerable progress in reducing costs and improving service by further sharing our distribution and transportation infrastructure across our North American business units. This work is allowing us to reduce the number of warehouse facilities, reduce transportation costs and improve service to our customers. With a much leaner cost structure in place, we expect to realize positive leverage during economic recovery as higher-unit volumes are spread across a smaller base of fixed assets.

New tactics and vehicles to grow market penetration and share were also among the opportunities that Mohawk emphasized during 2009. In this effort, our business achieved progress during 2009.

Strategic Plans Underscore Opportunity

Though challenging economic circumstances

have demanded much of our attention in recent years, we have balanced short-term tactical decisions with longer-term strategic planning. During the past decade, we successfully realized our goal to build leading market positions across all major flooring categories in North America. Going forward, we are focused on multiple initiatives intended to drive growth well into the next decade.

These initiatives include extending our footprint into new geographic markets and expanding our participation in selective flooring categories and distribution channels in existing markets, such as an increased focus on laminate in the Do-It-Yourself (DIY) retail channel. A commitment to new product and technological innovation will continue to be a key differentiator for Mohawk. We demonstrated this innovation with products such as our proprietary SmartStrand™ carpet, made from triexta fiber, for customers seeking a premium product and the EverStrand™ soft polyester carpet for the more price-conscious customers. In addition, our new ceramic tile

** See page 24 for Non-GAAP Reconciliation*

product utilizing a patented installation system that allows the tiles to be clicked together without using grout is being marketed on a limited basis. In laminates, a new edging process that creates more realistic visuals and patented scratch protection has been added to our product line. We also are building additional market share through enhanced customer experiences and more responsive service.

Sustainability is another important part of our future. Our emphasis on environmentally friendly products and operational processes has never been greater. This effort realized several important benchmarks in 2009 as we created an enterprise-level sustainability function and named William Kilbride our chief sustainability officer.

These measures reflect not only our corporate commitment to protect and preserve natural resources, but also our customers' increased demand for sustainable products in today's marketplace, both domestically and internationally. Our intense commitment to sustainability is both a core competitive strategy and a positive force within our Company.

Notwithstanding the difficult market conditions of the past three years, our long-term strategic investments are an affirmation of our confidence in the future of the flooring industry. Domestically, it is clear that growth in population and number of households will continue to create housing demand. Sales of new and

existing homes, which can also spur remodeling projects, present a sales opportunity for the full range of Mohawk products.

Favorable trends such as these will impact the largest market we serve – residential replacement. America's housing stock is aging, baby boomers are in the prime remodeling years and softening real estate values are influencing residents to remain in their homes longer. If the past is a guide, the strongest growth in the flooring industry will come in the aftermath of a recession as pent-up demand is unleashed.

While we cannot predict the timing or velocity of economic recovery, we are confident that all the market sectors we reach will strengthen and grow in the future. When that occurs, the leaner, more technologically advanced and more sustainable Mohawk we are building today will be ideally positioned to flourish.

To all of our stakeholders – stockholders, customers, suppliers and employees – we continue to appreciate your confidence and support, which equip us to make the most of every opportunity in challenging times, and in the more rewarding ones to come.

Sincerely,



Jeffrey S. Lorberbaum
Chairman and Chief Executive Officer

Mohawk At-a-Glance

Mohawk

Mohawk® is one of the oldest flooring brands and one of the largest carpet suppliers in the world. Residential collections include Aladdin®, Horizon®, WundaWeve®, 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. In addition, Mohawk is the largest supplier of rugs and mats in the North American market.

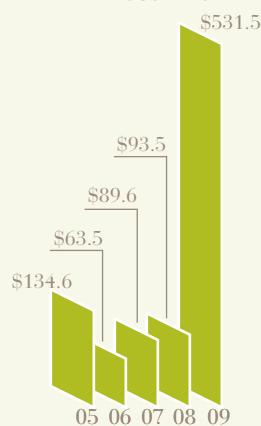
Dal-Tile

Dal-Tile is the largest supplier of ceramic tile and natural stone in the North American residential and commercial markets. Its products are distributed under the Dal-Tile® and American Olean® brands through more than 250 company-owned distribution points, as well as independent distributors and home improvement retail centers. Dal-Tile's vertically integrated operations include seven manufacturing facilities in the U.S. and one in Mexico.

Unilin

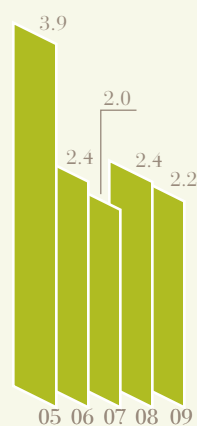
Unilin is one of the world's leading suppliers of premium laminate flooring through its Quick-Step® brand and the leader in product innovation and installation techniques with a strong portfolio of intellectual property rights. Unilin laminate flooring is distributed through retailers and distributors in Europe and North America. Also in Europe, product groups include roofing systems and other wood products (chipboard, flax board and melamine-covered board) for construction, cabinet and furniture markets. The Unilin group also includes Columbia®, a leading North American hardwood-flooring brand.

Cash and Cash Equivalents IN THOUSANDS



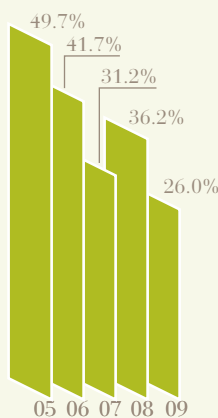
Prudent working capital and expense management has produced a balance sheet with excellent liquidity.

Net Debt to Adjusted EBITDA*



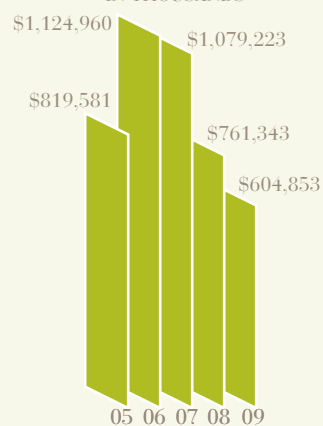
Mohawk's ability to generate strong cash flow combined with ongoing debt reduction has resulted in a strong debt coverage ratio.

Net Debt to Capital* PERCENTAGE



Debt reduction of more than \$1.6 billion in the last four years has created a strong capital structure.

Consolidated Adjusted EBITDA* IN THOUSANDS



Despite a prolonged industry downturn, Mohawk's leading market positions, effective working capital management and expense control have consistently created strong cash flows relative to gross sales and revenues.

** See page 24 for Non-GAAP Reconciliation*

MAKING THE MOST OF **E**very **M**arket



\$20
BILLION
2008 U.S. FLOORING
MARKET

As one of the world's largest flooring suppliers, Mohawk serves the North American market with a comprehensive product portfolio – carpet, ceramic tile, laminate, wood, resilient, stone flooring and countertops, rugs, mats and more. Our Unilin division's leading position in laminate flooring also provides us with a significant presence in Europe. We are making the most of these markets by leveraging these strong positions into expansion opportunities in adjacent geographic markets and complementary product categories.



LARGEST
FLOORING
COMPANY
IN THE WORLD

3
CONTINENTS
MOHAWK MANUFACTURING
OPERATIONS

Wall-To-Wall Market Expansion

Category Expansion in Europe

Laminate flooring products are the foundation of our Unilin business. Unilin's Quick-Step laminate brand generates the majority of its sales in Western Europe where it enjoys a premium position with strong consumer recognition and a reputation for diverse style and technological innovation. Going forward, our strategy is to expand into new flooring categories in Western Europe and to extend Unilin's reach into neighboring geographic territories.

In 2009, Unilin began this process in earnest by expanding into the hardwood category with the launch of Quick-Step branded wood products. These new products, manufactured in our Malaysian facility, utilize Unilin's exclusive Uniclic® installation system as a competitive differentiator to satisfy European demand for higher-value products.

To facilitate this expansion, Unilin strengthened its distribution capability with the acquisition of a major hard surface wholesaler in the United Kingdom and Ireland. This acquisition provides a deeper connection with retailers in these markets and an avenue to capitalize on the success of the Quick-Step brand.

New Laminate Markets

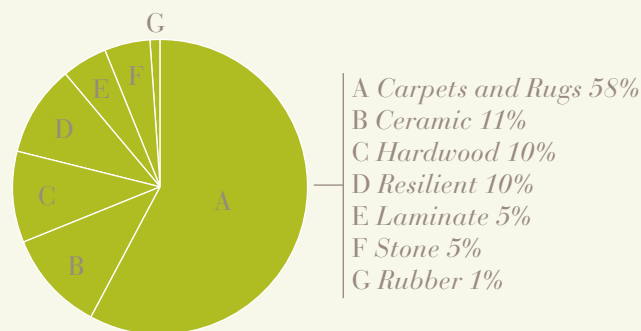
In recent years, Unilin also has steadily increased distribution of its laminate flooring products into Eastern Europe and Russia. In 2009, Unilin continued to build its logistics infrastructure in these markets, which, despite recent challenges, possess healthy mid- to long-term prospects. As distribution capacity increases, we are exploring adding local production capacity to capitalize further on opportunity in the Eastern Europe and Russian markets.

Dal-Tile Growth in Mexico

Dal-Tile, the leading supplier of ceramic tile in the United States, also is seizing similar geographic expansion opportunities. We have long manufactured tile in Mexico, primarily for export to the United States. Now, Dal-Tile has launched an initiative to claim a larger share of the expanding Mexican tile market, where annual ceramic tile sales approach \$800 million USD.

Dal-Tile's strategy calls for expanding production, broadening the product offerings to encompass value price points and increasing market penetration through new distributors. We also have strengthened existing relationships with home improvement retailers, which are becoming a more significant sales channel in the Mexican market. Collectively, these efforts generated positive results through increased market share in 2009, and we continue to consider adding additional capacity to support potential growth.

2008 U.S. Flooring Industry Sales by Category*



*Source: *Floor Covering Weekly*

WE MAKE THE MOST OF **E**very **S**pace



TILE

Floor tile to wall tile, mosaic to decorative, glazed to porcelain – tile collections encompass a wide variety of styles and applications.

30+
FLOORING PRODUCT
CATEGORIES



CARPET

Mohawk carpet spans a wide range of price points, design and performance attributes.



Mohawk maintains its market leadership by continually evolving its product offerings to align with consumer preferences and to capitalize on new manufacturing breakthroughs. From innovative fibers that take carpet to a new level of softness to our Reveal Imaging™ technology that takes ceramic tile design to a new level of precision and natural randomness, Mohawk is committed to best-in-class end-user research, product development and manufacturing expertise to meet the needs of every space.



THE LEADER

IN LAMINATE INNOVATION



LAMINATE

The Quick-Step brand features the patented Uniclic installation system, renowned for its ease of use.

HARDWOOD

Our Columbia, Mohawk and Century® brands bring natural beauty to interior flooring.

Fashion and Function

THROUGH NEW PRODUCT INNOVATION

Carpet Gets Even Softer

Carpet consumers today are keenly focused on performance and cite softness as an extremely important attribute in purchasing decisions. Accordingly, we have launched a next-generation process, Soft Fusion Technology™, which provides carpet with extra volume, strength and softness. This technology has debuted in a new DuraSoft® collection that features among the softest nylon products in the category. In 2009, Mohawk also acquired the Wear-Dated® fiber brand. Wear-Dated provides us with one of the top five consumer-recognized names in carpet and has been installed in more than 13 million homes across the U.S.

Laminate and Hardwood Add New Looks

Unilin has a long tradition of introducing the newest designs and textures in laminate and hardwood flooring. New 8mm versions of laminate in the Mohawk Marcina™ and Quick-Step

Sculptique™ lines address the current trend towards a soft-scraped, rustic look, at a price that appeals to today's value-conscious consumer. Another new Quick-Step line, Allustra™, draws on our wood experience to create popular exotic wood looks and colors. Allustra's excellent clarity and high-gloss finishes in a wide plank width offer consumers compelling options to make a flooring fashion statement.

Unilin's launch of hardwood flooring and wall boards utilizing our patented click technology leverages this long-standing competitive advantage.

Many of today's consumers want to move beyond traditional oak hardwood flooring. We have addressed this trend with a wide range of new additions to our Mohawk hardwood assortment, including engineered and solid versions of hickory, maple, cherry, ash and walnut. Consumers are also interested in hardwood products that have rich character and textured surfaces. Our new

Columbia brand hardwood introductions include an array of products from light to strong texture in a wide variety of species available in both engineered and solid constructions.

Beyond flooring, Unilin also manufactures popular insulated roof panel systems in Europe. This business recently broadened its product line with the introduction of Utherm® brand insulation boards. The panels can be assembled with a four-sided tongue and groove construction that allows for greater insulation with less thickness in roofs, walls and floors.

Ceramic Tile Pushes Innovation

Dal-Tile continues to fortify its strong position in ceramic tile through the addition of new styles and features. We recently began limited marketing of a new, patented ceramic tile technology, which can be clicked together without grout for simple installation. In the commercial arena, tile applications require a flooring surface with

maximum durability. Dal-Tile's new OutStand Technology™ features a patent-pending glazing technique that creates a new standard in wear resistance that will last for the life of the tile. OutStand couples this unmatched durability with antimicrobial technology that inhibits the growth of stain- and odor-causing bacteria. OutStand products also help achieve the sustainability objectives of commercial customers, with a recycled materials content of over 60 percent, a leader in the industry.

Dal-Tile is pushing the engineering envelope in design and finish quality as well. Our new Reveal Imaging printing technology is on the leading edge of glaze applications. This results in tile products with a sharper, clearer and more attractive image, for superior patterns and styling. Compared to traditional contact printing, the digital process also permits much faster market response and better service for our customers.

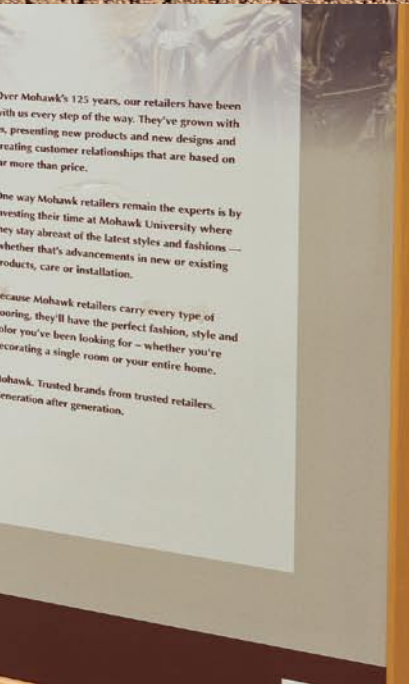
WE MAKE THE MOST OF EVERY

Sales Opportunity

300+
POINTS

MOHAWK
U.S. DISTRIBUTION
NETWORK





Leveraging the industry's most comprehensive product line and distribution network, Mohawk derives revenue from relationships with more than 30,000 customers. Much of our success lies in the ability to provide each customer with the right product at the right price to meet the unique needs of its distribution channel. In addition, we support our products with strategic marketing and customer service initiatives that help maximize sales in the marketplace.

Service and Scope

STRENGTHEN SALES CHANNELS

Scale Provides Advantages

In the competition for customers and sales, Mohawk's scale and scope provide a high degree of marketplace agility. In the commercial carpet category, for example, we have redirected sales efforts from the weaker corporate sector toward stronger opportunities in the healthcare, education and government sectors. Similarly, we have strengthened our market position in the stronger residential multifamily channel by redirecting our sales force from the single-family, new construction market.

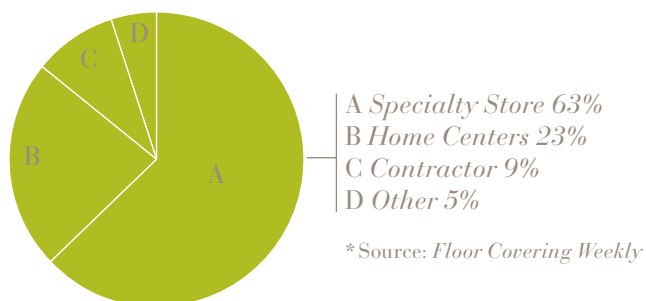
Size also is helping Dal-Tile earn increased shelf space and market share in the home improvement retail channel. Vendor consolidation is a significant trend in a more competitive and value-driven retail marketplace. Dal-Tile's position as one of the world's largest tile manufacturers with the most comprehensive product offering ensures that we benefit from this development.

Differentiated Products Drive Sales

A widely differentiated product offering that spans all price points, styles and performance attributes is another important way Mohawk maximizes sales opportunities. This effort received a significant boost in 2009 with a favorable decision by the Federal Trade Commission to designate a new polyester subclass, triexta, for the renewable PTT fiber used in Mohawk SmartStrand products and that DuPont sells under the brand name Sorona®. The landmark ruling, the first extension for residential carpeting since 1959, significantly enhances our ability to highlight the SmartStrand performance advantage over traditional products.

Astute product differentiation also benefits us in Europe, where Unilin has developed products and pricing strategies to offer premium laminate products in the home center channel. Through product and brand segmentation, we are beginning to expand laminate into home

U.S. Flooring Sales by Channel*



centers while still preserving our premium position in the specialty retail channel.

Robust Marketing Support

Even the best of products needs appropriate marketplace awareness and responsive customer service to generate meaningful sales. Strengthening our product position requires ongoing investments in sales and marketing support across every Mohawk division. Commercial carpeting, for example, is moving toward a quick-ship program that will provide customers 48-hour turnaround service for broadloom and carpet tile products. At Dal-Tile, we are investing in new technology systems in our sales service centers that will enhance customer relationship management, as well as critical support functions such as inventory management and forecasting.

Finally, we continue to execute classic product promotion in new and innovative ways. Consider the placement of carpet made with SmartStrand triexta in the home of a black rhinoceros at the Birmingham Zoo. Two weeks and countless stains later, the carpet was cleaned to look like new. Utilizing social networking tools and live “cage cams” at trade shows, Mohawk elevated awareness of triexta’s performance benefits, underscored its commitment to sustainability and created “buzz” among dealers and consumers alike.

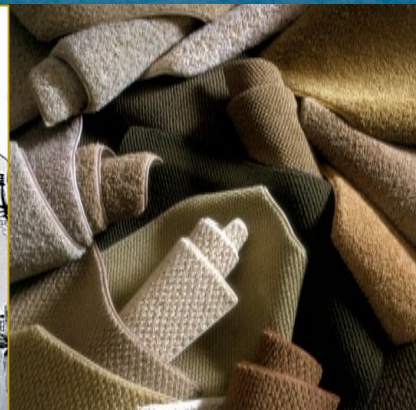


WE MAKE THE MOST OF EVERY Natural Resource

For more than a decade, Mohawk has set the industry standard for sustainable products and practices. As the world's largest flooring company, our initiatives have positively impacted the environment by reducing energy consumption, conserving natural resources and eliminating waste. Today, we are proud to offer consumers more than 500 products containing recycled materials, and we continue to increase both pre- and post-consumer content in our products. Mohawk is making the most of innovation and technology to benefit the natural environment we all share.



>50%
WATER
REDUCTION
PER YARD OF CARPET
SINCE 1995



GLASS INTO TILE

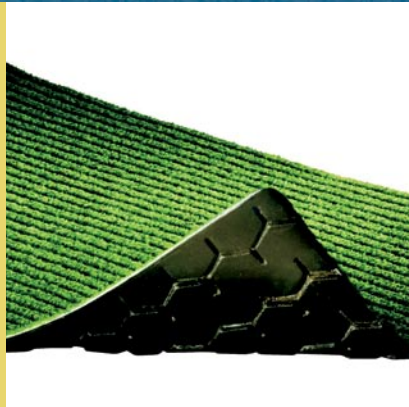
New tile collections contain more than 60 percent recycled material, including post-consumer recycled glass.



3

BILLION
POUNDS

OF MATERIAL DIVERTED
FROM LANDFILLS ANNUALLY



HUNDREDS
OF PRODUCTS
WITH RECYCLED CONTENT

TIRES INTO MATS

More than 18 million pounds of rubber tires are recycled as doormats each year.

SETTING THE STANDARD FOR Sustainable Products and

To achieve the full benefits of sustainability, commitment must go beyond broad goals and marketing slogans. At Mohawk, we are delivering real results every day to make good on our sustainability goals. We capitalize on our vertically integrated operations and innovative engineering solutions to incorporate sustainable processes into every aspect of our business, from research and manufacturing to marketing and distribution.

In our manufacturing operations, we have been conserving water to make sure we use only what we need and that we reuse as much water as possible. Since 1995, Mohawk has reduced water usage in our manufacturing processes by more than 50 percent per yard of carpet manufactured, while three of our eight tile manufacturing facilities recycle 100 percent of the wastewater generated at the facility.

Constructed wetlands adjacent to manufacturing plants are an example of how our sustainable processes are benefiting the environment. At a number of our sites, we manage and treat our own wastewater rather than sending it downstream to a conventional treatment facility. Wetlands provide an effective and natural wastewater filter and create vibrant habitats for animal and wildlife. The environmental benefits can be seen in the plants and abundant wildlife that thrive in our wetlands.

Reducing waste is another key priority. Our recycling efforts are unmatched in the industry. We divert nearly three billion pounds of material from landfills each year. Mohawk carpet manufacturing facilities alone process approximately 25 percent of all plastic beverage and food bottles recycled in North America and convert them into carpet fibers. Each year

Processes

we also redirect some 1.4 million tires from landfills by turning the resulting crumb rubber into thousands of designer doormats.

Saving energy makes our operations more efficient while benefiting the environment as well. Our efforts in this area include recovering animal fat and cooking oil from food processing to provide a renewable energy source for boilers in our carpet manufacturing facilities. This process lowers natural gas use and reduces our emissions. Energy reduction initiatives also include modifying operating schedules at Dal-Tile manufacturing sites to align energy use with off-peak hours to help utility companies operate more efficiently. In Europe, Unilin board plants require large amounts of thermal energy for drying and pressing operations. Unilin generates nearly all of this energy by burning waste, such as sander dust and bark, produced on site.



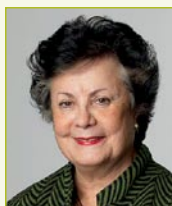
Sustainability Honors

- 2003 and 2007 Evergreen Award
U.S. General Services Administration
- 2008 Inaugural Vendor Sustainability Award
Walmart
- 500 Greenest Companies 2009
Newsweek
- 2009 Green Step Award
Floor Covering Weekly
- 2009 Large Recycler of the Year
Carpet America Recover Effort (CARE)

Board of Directors



Jeffrey S. Lorberbaum
Chairman and
Chief Executive Officer



Phyllis O. Bonanno ⁽³⁾
Former President and
Chief Executive Officer
of International Trade
Solutions, Inc.



Bruce C. Bruckmann ⁽¹⁾⁽²⁾
Managing Director
Bruckmann, Rosser,
Sherrill & Co., Inc.
(a venture capital firm)



Frans De Cock
Former President
Unilin



John F. Fiedler ⁽²⁾
Former Chairman and
Chief Executive Officer
Borg-Warner Automotive Inc.
(a manufacturer of
automotive parts)



David L. Kolb ⁽³⁾
Former Chairman and
Chief Executive Officer
Mohawk Industries, Inc.



Larry W. McCurdy ⁽¹⁾⁽³⁾
Former Chairman, President
and Chief Executive Officer
of Echlin, Inc.
(a manufacturer of
automotive parts)



Joseph A. Onorato ⁽¹⁾⁽³⁾
Former Chief Financial
Officer of Echlin, Inc.
(a manufacturer of
automotive parts)



Robert N. Pokelwaldt ⁽¹⁾⁽²⁾
Former Chairman and
Chief Executive Officer of
York International Corporation
(a manufacturer of
air conditioning and
cooling systems)



W. Christopher Wellborn
President and
Chief Operating Officer

⁽¹⁾ Audit Committee

⁽²⁾ Compensation Committee

⁽³⁾ Nominating and Corporate
Governance Committee

Please see the Company's 2010 Proxy Statement for a listing of our Executive Officers.
The Proxy Statement is available via the Internet at www.mohawkind.com under Investor Information.

Reconciliation of Non-GAAP Measures

(in thousands)

Adjusted operating income and Adjusted EBITDA	2009	2008	2007	2006	2005
Operating income (loss)	\$ 43,730	(1,124,134)	750,106	839,060	672,384
Add: Impairment of goodwill and other intangibles	—	1,543,397	—	—	—
Business restructurings	61,725	29,670	14,200	—	—
Commercial carpet tile reserve	133,492	44,338	—	—	—
Higher cost inventory flow through ^(e)	61,794	—	—	—	—
Adjusted operating income ^(a)	\$ 300,741	493,271	764,306	839,060	672,384
Less: Net earnings attributable to minority interest	(4,480)	(5,694)	(7,599)	(8,740)	(7,139)
Add: Depreciation and amortization	303,004	295,054	306,437	274,952	150,657
Other income (expense), net	5,588	(21,288)	6,925	252	3,679
U.S. customs refund	—	—	9,154	19,436	—
Adjusted EBITDA ^(b)	\$ 604,853	761,343	1,079,223	1,124,960	819,581
Net Debt					
Long-term debt (including current portion)	\$ 1,854,479	1,954,786	2,281,834	2,783,681	3,308,370
Less: Cash and cash equivalents	(531,458)	(93,519)	(89,604)	(63,492)	(134,585)
Net Debt ^(c)	\$ 1,323,021	1,861,267	2,192,230	2,720,189	3,173,785
Capital					
Long-term debt (including current portion)	\$ 1,854,479	1,954,786	2,281,834	2,783,681	3,308,370
Total equity	3,234,282	3,184,933	4,738,843	3,744,468	3,078,522
Capital	\$ 5,088,761	5,139,719	7,020,677	6,528,149	6,386,892
Net debt to Adjusted EBITDA ^(d)	2.2	2.4	2.0	2.4	3.9
Net Debt to Capital ^(e)	26.0%	36.2%	31.2%	41.7%	49.7%

(a) The non-GAAP measure "Adjusted Operating Income" is used to compare operating results. Management uses the information to review results excluding items that are not necessarily indicative of on-going results.

(b) The non-GAAP measure "Adjusted EBITDA" is used to more clearly evaluate our cash generation from operations.

(c) The non-GAAP measure "Net Debt" and "Net Debt to Capital" is used to more clearly evaluate our capital structure and leverage.

(d) The non-GAAP measure "Net Debt to Adjusted EBITDA" is used to more clearly show the number of times our operating cash flow covers leverage.

(e) Unusually high raw material costs incurred in the latter part of 2008, flowing through cost of sales in the first quarter of 2009.

Shareholder Information

Corporate Headquarters
P.O. Box 12069
160 South Industrial Boulevard
Calhoun, Georgia 30703
(706) 624-2246

**Independent Registered Public
Accounting Firm**
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, visit our websites
www.mohawkflooring.com,
www.daltile.com
www.unilin.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 Stockholders
The Annual Meeting of Stockholders
of Mohawk Industries, Inc., will be held
at the Company's headquarters on
South Industrial Boulevard in Calhoun,
Georgia, on Tuesday, May 11, 2010,
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
period indicated.

Mohawk Common Stock			
2009	High	Low	
First Quarter	\$ 46.05	\$16.97	
Second Quarter	51.88	28.74	
Third Quarter	53.71	31.40	
Fourth Quarter	50.49	39.84	
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	

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.

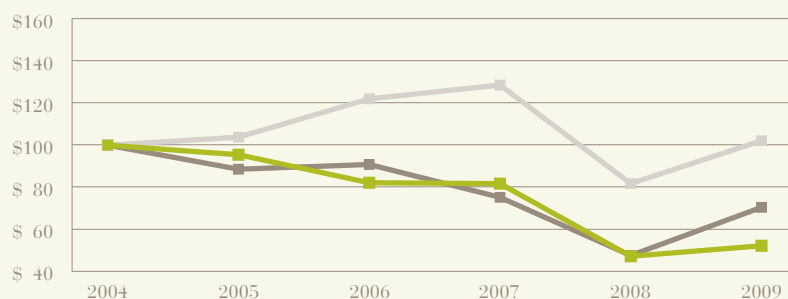
NYSE Affirmation Certifications
As a listed Company with the New York Stock
Exchange ("NYSE"), Mohawk is subject to
certain Corporate Governance standards as
required by the NYSE and/or the Securities
and Exchange Commission ("SEC"). Among
other requirements, Mohawk's CEO, as
required by Section 303A.12(a) 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 11, 2009,
Mohawk's CEO Jeffrey S. Lorberbaum, sub-
mitted 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 year ended
December 31, 2009.

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, 2004 and ending on December 31, 2009.

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, 2004
was \$100 and that all dividends were reinvested. The
Company is not included in the peer group because manage-
ment believes that, by excluding the Company, investors will
have a more accurate view of the Company's performance
relative to the peer companies.



	2004	2005	2006	2007	2008	2009
• Mohawk Industries, Inc	\$100.00	95.32	82.04	81.54	47.10	52.17
• S&P 500 Index - Total Return	\$100.00	104.89	121.46	128.13	80.73	102.08
• Peer Group Only	\$100.00	89.36	91.53	75.74	48.20	70.35



Mohawk Industries, Inc., 160 South Industrial Boulevard, Calhoun, Georgia 30701
www.mohawkind.com