
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): July 21, 2004

MOHAWK INDUSTRIES, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other
Jurisdiction of
Incorporation)

01-19826
(Commission File
Number)

52-1604305
(IRS Employer
Identification No.)

160 South Industrial Blvd., Calhoun, Georgia 30701
(Address including zip code of principal executive offices)

(706) 629-7721
(Registrant's telephone number, including area code)

Item 12. Results of Operations and Financial Condition.

On July 21, 2004, Mohawk Industries, Inc. issued a press release announcing its second quarter financial results. A copy of such press release is attached as Exhibit 99.1.

The information in this Form 8-K, including the exhibit attached thereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall such information and exhibit be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

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 hereunto duly authorized.

Mohawk Industries, Inc.

Date: July 21, 2004

By: /s/ FRANK H BOYKIN

Frank H. Boykin

INDEX TO EXHIBITS

Exhibit

99.1. Press release dated July 21, 2004

For Release: **Immediately**

Contact: **John D. Swift, Chief Financial Officer**

MOHAWK INDUSTRIES, INC. ANNOUNCES RECORD SECOND

QUARTER EARNINGS PER SHARE

Calhoun, Georgia, July 21, 2004 - Mohawk Industries, Inc. (NYSE:MHK) today announced record diluted earnings per share (EPS) and net earnings for the second quarter of 2004 of \$1.29 (15% above last year) and \$87,158,000 (16% above last year), respectively. This compares to EPS and net earnings of \$1.12 and \$74,985,000, respectively, for the second quarter of 2003. The improvement in EPS results from strong sales growth in both the Mohawk and Dal-Tile segments, better leverage of selling, general and administrative costs and the Lees Carpet acquisition, offset by higher raw material and energy costs. Net sales for the quarter increased 19% to \$1,486,916,000 compared to \$1,247,181,000 for the second quarter of 2003. The sales increase was primarily due to organic growth in both segments and the Lees acquisition. The Mohawk segment net sales of \$1,106,512,000 in the second quarter of 2004 increased 19% from \$926,745,000 due to growth in all products as a result of improving general economic conditions and the Lees acquisition. The Dal-Tile segment net sales of \$380,404,000 in the second quarter of 2004 grew 19% from \$320,436,000 primarily from internal growth.

EPS for the first half of 2004 was \$2.27 (30% above last year) and net earnings were \$153,465,000 (32% above last year) compared to \$1.74 EPS and \$116,625,000 in net earnings for the first half of 2003. This increase in EPS and earnings is attributable to strong sales growth, better leverage of selling, general and administrative costs and the Lees acquisition, offset by higher raw material and energy costs. Net sales for the first half of 2004 were \$2,878,177,000 representing a 23% increase from the first half of 2003 sales of \$2,331,896,000. This sales increase resulted from strong organic growth, the acquisition of Lees and four additional days in the first quarter of 2004. The company's fiscal calendar for 2004 when compared to 2003, increased by four days in the first quarter which added approximately 3% to sales in the first half of 2004. The fourth quarter will have four less days than the prior year reducing sales approximately 7%.

In commenting on the second quarter results, Jeffrey S. Lorberbaum, Chairman and CEO, stated, "As the economy continues to improve, our sales are expanding in both business segments year over year. The Mohawk residential replacement business continues to grow as consumer confidence improves over last year. The Mohawk commercial category is experiencing sales increases as businesses invest in new space and renovations. Although mortgage rates have increased, the residential new construction business continues at a strong pace. The Mohawk hard surface product offerings continue to be broadened and are experiencing strong growth. Our Home Product sales also expanded during the quarter.

"The Dal-Tile segment sales momentum continues in all product categories with floor tile and stone products leading the others. Dal-Tile has become the largest distributor of stone flooring and counter tops in the highly fragmented U.S. market. We have recently completed another small acquisition in the latter part of the second quarter. The new Muskogee, Oklahoma porcelain tile facility is running well at approximately 85% capacity. In the future, we will continue increasing the production of higher value porcelain tile in the plant.

"There continues to be cost pressures from natural gas and oil selling at or near historic highs. These cost increases have reduced our margins in the second quarter of 2004. In addition, the cost of commodity chemicals such as benzene (a major component of nylon) has increased dramatically more than oil. To mitigate these, we implemented multiple price increases for carpet products during the first half, with the latest in mid-June. Presently, we are receiving notices of further carpet raw material cost increases in the third quarter. As a result, we are currently determining the timing and amount of selling price increases required. Additionally, we have implemented price increases during the first half on many hard surface products and the Mohawk segment has added a fuel surcharge in line with the industry to pass through changes in distribution costs.

"In the second quarter, our working capital position remains strong with inventory turns improving to 4.7 times and our debt to capitalization ratio improving to 28.6%. Additionally, we repurchased 100,000 shares of stock at an average price of \$71.83. "

The company anticipates the economy continuing to expand throughout the year. We expect our revenue growth to moderate as comparisons with the prior year become more difficult in the second half. Future cost changes in natural gas, oil and commodity chemicals could impact our margins either positively or negatively in the second half. Based on these factors, our third quarter forecast for EPS is from \$1.45 to \$1.52.

Certain of the statements in the immediately preceding paragraphs, particularly anticipating future performance, business prospects, growth and operating strategies, proposed acquisitions, and similar matters, and those that include the words "believes," "anticipates," "forecast," "estimates," or similar expressions constitute "forward-looking statements." For those statements, Mohawk claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. There can be no assurance that the forward-looking statements will be accurate because they are based on many assumptions which involve risks and uncertainties. The following important factors could cause future results to differ: changes in economic or industry conditions; competition; raw material and energy prices; timing and level of capital expenditures; integration of acquisitions; introduction of new products; rationalization of operations; and other risks identified in Mohawk's SEC reports and public announcements.

Mohawk is a leading supplier of flooring for both residential and commercial applications. Mohawk offers a complete selection of broadloom carpet, ceramic tile, wood, stone, laminate, vinyl, rugs and other home products. These products are marketed under the premier brands in the industry, which include Mohawk, Karastan, Ralph Lauren, Lees, Bigelow, Dal-Tile and American Olean. Mohawk's unique merchandising and marketing assist our customers in creating the consumers' dream. Mohawk provides a premium level of service with its own trucking fleet and over 250 local distribution locations.

There will be a conference call Thursday July 22, 2004 at 11:00 AM Eastern Time.

The telephone number to call is 1-800-603-9255. A conference call replay will also be available until Thursday, July 29, 2004 by dialing 1-800-642-1687 for US/local calls and (706) 645-9291 for international calls and entering Conference ID # 8738961.

DATES FOR FUTURE PRESS RELEASES AND CONFERENCE CALLS:

| | <u>PRESS RELEASE</u> | <u>CONFERENCE CALL</u> | |
|------------------------------|-----------------------------|-------------------------------|------------------------|
| 3 rd QUARTER 2004 | OCTOBER 21, 2004 | OCTOBER 22, 2004 | 11:00AM (800-603-9255) |
| 4 th QUARTER 2004 | FEBRUARY 3, 2005 | FEBRUARY 4, 2005 | 11:00AM (800-603-9255) |
| 1 st QUARTER 2005 | APRIL 21, 2005 | APRIL 22, 2005 | 11:00AM (800-603-9255) |
| 2 nd QUARTER 2005 | JULY 20, 2005 | JULY 21, 2005 | 11:00AM (800-603-9255) |

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
Consolidated Statement of Earnings Data
(Amounts in thousands, except per share data)

| | Three Months Ended | | Six Months Ended | |
|--------------------------------------------------------------------------|--------------------|---------------|------------------|---------------|
| | July 3, 2004 | June 28, 2003 | July 3, 2004 | June 28, 2003 |
| Net sales | \$ 1,486,916 | 1,247,181 | 2,878,177 | 2,331,896 |
| Cost of sales | 1,093,686 | 907,078 | 2,129,216 | 1,716,997 |
| Gross profit | 393,230 | 340,103 | 748,961 | 614,899 |
| Selling, general and administrative expenses | 242,557 | 210,035 | 479,249 | 406,638 |
| Operating income | 150,673 | 130,068 | 269,712 | 208,261 |
| Interest expense | 13,212 | 14,087 | 27,166 | 27,185 |
| Other (income) expense, net | 991 | (2,105) | 2,413 | (2,585) |
| Earnings before income taxes | 136,470 | 118,086 | 240,133 | 183,661 |
| Income taxes | 49,312 | 43,101 | 86,668 | 67,036 |
| Net earnings | \$ 87,158 | 74,985 | 153,465 | 116,625 |
| Basic earnings per share | \$ 1.31 | 1.14 | 2.30 | 1.76 |
| Weighted-average shares outstanding | 66,742 | 65,886 | 66,686 | 66,120 |
| Diluted earnings per share | \$ 1.29 | 1.12 | 2.27 | 1.74 |
| Weighted-average common and dilutive potential common shares outstanding | 67,564 | 66,709 | 67,582 | 66,914 |

Other Financial Information
(Amounts in thousands)

| | | | | |
|-----------------------------|-----------|--------|--------|--------|
| Depreciation & amortization | \$ 30,100 | 26,389 | 61,110 | 51,438 |
| Capital expenditures | \$ 25,507 | 29,161 | 38,674 | 53,825 |

Consolidated Balance Sheet Data
(Amounts in thousands)

| | July 3, 2004 | June 28, 2003 |
|-------------------------------------------------------|--------------|---------------|
| ASSETS | | |
| Current assets: | | |
| Receivables | \$ 698,852 | 580,118 |
| Inventories | 926,396 | 803,154 |
| Prepaid expenses | 43,436 | 31,629 |
| Deferred income taxes | 84,260 | 82,074 |
| Total current assets | 1,752,944 | 1,496,975 |
| Property, plant and equipment, net | 899,458 | 855,010 |
| Goodwill | 1,376,381 | 1,282,684 |
| Other assets | 339,287 | 162,617 |
| | \$ 4,368,070 | 3,797,286 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Current portion of long-term debt | \$ 274,459 | 110,904 |
| Accounts payable and accrued expenses | 715,074 | 664,876 |
| Total current liabilities | 989,533 | 775,780 |
| Long-term debt, less current portion | 709,425 | 733,844 |
| Deferred income taxes and other long-term liabilities | 213,911 | 208,331 |
| Total liabilities | 1,912,869 | 1,717,955 |
| Total stockholders' equity | 2,455,201 | 2,079,331 |
| | \$ 4,368,070 | 3,797,286 |

Segment Information
(Amounts in thousands)

| | As of or for the Three Months Ended | | As of or for the Six Months Ended | |
|------------|-------------------------------------|---------------|-----------------------------------|---------------|
| | July 3, 2004 | June 28, 2003 | July 3, 2004 | June 28, 2003 |
| Net sales: | | | | |
| Mohawk | \$ 1,106,512 | 926,745 | 2,138,490 | 1,734,856 |
| Dal-Tile | 380,404 | 320,436 | 739,687 | 597,040 |

| | | | | | |
|-------------------------------|----|-----------|-----------|-----------|-----------|
| Consolidated net sales | \$ | 1,486,916 | 1,247,181 | 2,878,177 | 2,331,896 |
| Operating income: | | | | | |
| Mohawk | \$ | 97,050 | 85,724 | 168,822 | 126,554 |
| Dal-Tile | | 55,895 | 46,699 | 105,297 | 85,047 |
| Corporate and eliminations | | (2,272) | (2,355) | (4,407) | (3,340) |
| Consolidated operating income | \$ | 150,673 | 130,068 | 269,712 | 208,261 |
| Assets: | | | | | |
| Mohawk | | | \$ | 2,221,252 | 1,745,999 |
| Dal-Tile | | | | 2,035,850 | 1,940,567 |
| Corporate and eliminations | | | | 110,968 | 110,720 |
| Consolidated assets | \$ | | \$ | 4,368,070 | 3,797,286 |