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

FORM 10-Q

[Mark One]

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended April 1, 2006

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from to

Commission File Number
01-19826

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

Delaware	**52-1604305**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
P. O. Box 12069, 160 S. Industrial Blvd., Calhoun, Georgia	**30701**
(Address of principal executive offices)	**(Zip Code)**

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

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [x] No [ ]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer (as defined in Rule 12b-2 of the Exchange Act):

Large accelerated filer [x] Accelerated filer [ ] Non-accelerated filer [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act. Yes [ ] No [x]

The number of shares outstanding of the issuer's classes of capital stock as of May 4, 2006, the latest practicable date, is as follows: 67,691,752 shares of Common Stock, $.01 par value.

MOHAWK INDUSTRIES, INC.
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PART I. FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS
(In thousands)
(Unaudited)

	April 1, 2006	December 31, 2005
Current assets:		
Cash and cash equivalents	$ 82,174	134,585
Receivables	948,229	848,666
Inventories	1,186,626	1,166,913
Prepaid expenses	140,194	140,789
Deferred income taxes	34,857	49,534
Total current assets	2,392,080	2,340,487
Property, plant and equipment, at cost	2,877,255	2,824,837
Less accumulated depreciation and amortization	1,054,831	1,014,109
Net property, plant and equipment	1,822,424	1,810,728
Goodwill	2,642,389	2,621,963
Tradenames	630,402	622,094
Other intangible assets	542,734	552,003
Other assets	30,704	44,248
	$ 8,060,733	7,991,523

See accompanying notes to condensed consolidated financial statements.

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

LIABILITIES AND STOCKHOLDERS' EQUITY
(In thousands, except per share data)
(Unaudited)

	April 1, 2006	December 31, 2005
Current liabilities:		
Current portion of long-term debt	$ 100,156	113,809
Accounts payable and accrued expenses	1,033,726	998,105
Total current liabilities	1,133,882	1,111,914
Deferred income taxes	594,489	625,887
Long-term debt, less current portion	3,148,000	3,194,561
Other long-term liabilities	33,531	32,041
Total liabilities	4,909,902	4,964,403
Stockholders' equity:		
Preferred stock, $.01 par value; 60 shares authorized; no shares issued	-	-
Common stock, $.01 par value; 150,000 shares authorized; 78,642 and 78,478 shares issued in 2006 and 2005, respectively	786	785
Additional paid-in capital	1,135,032	1,123,991
Retained earnings	2,339,698	2,268,578
Accumulated other comprehensive income, net	(6,019)	(47,433)
	3,469,497	3,345,921
Less treasury stock at cost; 10,976 and 10,981 shares in 2006 and 2005, respectively	318,666	318,801
Total stockholders' equity	3,150,831	3,027,120
	$ 8,060,733	7,991,523

See accompanying notes to condensed consolidated financial statements.

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS

(In thousands, except per share data)
(Unaudited)

	Three Months Ended	
	April 1, 2006	April 2, 2005
Net sales	$ 1,925,106	1,493,222
Cost of sales	1,422,096	1,108,520
Gross profit	503,010	384,702
Selling, general and administrative expenses	352,443	261,072
Operating income	150,567	123,630
Other expense (income):		
Interest expense	40,335	11,876
Other expense	3,826	2,727
Other income	(1,099)	(723)
	43,062	13,880
Earnings before income taxes	107,505	109,750
Income taxes	36,385	39,730
Net earnings	$ 71,120	70,020
Basic earnings per share	$ 1.05	1.05
Weighted-average common shares outstanding	67,564	66,804
Diluted earnings per share	$ 1.04	1.03
Weighted-average common and dilutive potential common shares outstanding	68,079	67,692

See accompanying notes to condensed consolidated financial statements.

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)
(Unaudited)

	Three Months Ended	
	April 1, 2006	April 2, 2005
Cash flows from operating activities:		
Net earnings	$ 71,120	70,020
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	64,853	32,265
Deferred income taxes	(1,249)	-
Loss on disposal of property, plant and equipment	1,455	74
Tax benefit on exercise of stock awards	-	1,899
Excess tax benefit from stock-based compensation	(1,753)	-
Stock based compensation expense	2,750	-
Changes in operating assets and liabilities, net of effects of acquisition:		
Receivables	(91,241)	(69,705)
Inventories	(18,248)	(113,866)
Accounts payable and accrued expenses	74,179	128,058
Other assets and prepaid expenses	3,224	2,804
Other liabilities	(564)	(848)
Net cash provided by operating activities	104,526	50,701
Cash flows from investing activities:		
Additions to property, plant and equipment, net	(45,632)	(34,521)
Acquisition	-	(50,606)
Net cash used in investing activities	(45,632)	(85,127)
Cash flows from financing activities:		
Net change in short term credit lines	-	(2,838)
Payments on revolving line of credit	(388,294)	-
Proceeds from revolving line of credit	348,173	-
Repayment on bridge loan	(1,400,000)	-
Proceeds from issuance of senior notes	1,387,200	-
Net change in asset securitization borrowings	-	30,000
Payments of other debt	(29,485)	(2)
Excess tax benefit from stock-based compensation	1,753	-
Change in outstanding checks in excess of cash	(38,289)	2,707
Proceeds from stock option exercises	6,279	4,559
Net cash (used in) provided by financing activities	(112,663)	34,426
Effect of exchange rate changes on cash and cash equivalents	1,358	-
Net change in cash	(52,411)	-
Cash, beginning of period	134,585	-
Cash, end of period	$ 82,174	-

See accompanying notes to condensed consolidated financial statements.

(In thousands, except per share amounts)
(Unaudited)

1. Interim reporting

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with instructions to Form 10-Q and do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. These statements should be read in conjunction with the consolidated financial statements and notes thereto, and the Company's description of critical accounting policies, included in the Company's 2005 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission.

2. Acquisition

On October 31, 2005 the Company acquired all the outstanding shares of Unilin Holding NV by acquiring Unilin Flooring BVBA, which then purchased Unilin Holding NV. The Company simultaneously acquired all the outstanding shares of Unilin Holding Inc., and its subsidiaries (together with Unilin Flooring BVBA, "Unilin"). Unilin, together with its subsidiaries is a leading manufacturer, distributor and marketer of laminate flooring in Europe and the United States. The total preliminary purchase price of acquiring Unilin, net of cash of $165,709, was Euro 2,110,176, or $2,546,349, based on the prevailing exchange rate at the closing. The acquisition was accounted for by the purchase method and, accordingly, the results of operations of Unilin have been included in the Company's consolidated financial statements from October 31, 2005. The purchase price was allocated to the assets acquired and liabilities assumed based upon the estimated fair values at the date of acquisition. Intangibles and property, plant and equipment values were established with the assistance of an independent third party. The excess of the purchase price over the fair value of the net identifiable assets acquired of approximately $1,248,500 was recorded as goodwill. The primary reason for the acquisition was to expand the Company's presence in the laminate flooring market.

The Company considered whether identifiable intangible assets existed during the purchase price negotiations and during the subsequent purchase allocation period. Accordingly, the Company recognized goodwill, tradenames, patents, customer lists, contingent assets and backlogs.

In accordance with SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142"), goodwill recorded in the Unilin acquisition will not be amortized. Additionally, the Company determined that the tradenames intangible assets have indefinite useful lives because they are expected to generate cash flows indefinitely. Goodwill and the tradenames intangible assets are subject to annual impairment testing.

The following table summarizes the fair values of the assets acquired and liabilities assumed at the date of acquisition, excluding cash of $165,709. The Company is in the process of finalizing the valuation and accordingly, the allocation of the purchase price is not yet completed.

(In thousands, except per share amounts)
(Unaudited)

Current assets	$ 389,091
Property, plant and equipment	774,677
Goodwill	1,248,500
Intangible assets	882,886
Other assets	890
Total assets acquired	3,296,044
Current liabilities	275,214
Long-term debt	32,027
Other liabilities	442,454
Total liabilities assumed	749,695
Net assets acquired	$ 2,546,349

Of the $882,886 of acquired intangibles, $356,521 was assigned to registered tradenames that are not subject to amortization. The remaining acquired intangibles were assigned to customer relationships for $270,709 (7 year weighted average useful life) and patents for $255,656 (12 year weighted average useful life). The $1,248,500 of goodwill is not deductible for tax purposes.

The following unaudited pro forma financial information presents the combined results of operations of the Company and Unilin as if the acquisition had occurred at the beginning of 2005, after giving effect to certain adjustments, including increased interest expense on debt related to the acquisition, and the amortization of intangible assets. The pro forma information does not necessarily reflect the results of operations that would have occurred had the Company and Unilin constituted a single entity during the period. The following table discloses the pro forma results for the quarter ended April 2, 2005:

Net sales	$ 1,751,994
Net earnings	68,050
Basic earnings per share	1.02
Diluted earnings per share	1.01

3. Receivables

Receivables are as follows:

	April 1, 2006	December 31, 2005
Customers, trade	$ 1,015,754	925,714
Other	37,266	25,662
	1,053,020	951,376
Less allowance for discounts, returns, claims and doubtful accounts	104,791	102,710
Net receivables	$ 948,229	848,666

(In thousands, except per share amounts)

4. Inventories

The components of inventories are as follows:

	April 1, 2006	December 31, 2005
Finished goods	$ 762,487	754,664
Work in process	104,697	89,179
Raw materials	319,442	323,070
Total inventories	$ 1,186,626	1,166,913

Inventories, included above, in the amount of $789,822 and $764,140 at April 1, 2006 and December 31, 2005, were valued at the lower of LIFO cost or market. If the LIFO method had not been used inventories would have been $62,602 and $48,560 higher than reported at April 1, 2006 and December 31, 2005, which approximates the difference between replacement and carrying value.

5. Intangible assets and goodwill

The components of intangible assets are as follows:

	April 1, 2006	December 31, 2005
Carrying amount of amortized intangible assets:		
Customer relationships	$ 326,039	326,039
Patents	256,256	256,256
Effect of translation	2,355	(9,902)
	$ 584,650	572,393
Accumulated amortization of amortized intangible assets:		
Customer relationships	$ 25,413	14,720
Patents	15,840	6,998
	41,253	21,718
Effect of translation	663	(1,328)
	$ 41,916	20,390
Total other intangible assets	$ 542,734	552,003
Indefinite life intangible assets:		
Trade names	628,801	628,801
Effect of translation	1,601	(6,707)
	$ 630,402	622,094

(In thousands, except per share amounts)
|(Unaudited)

Amortization expense:

	Three Months Ended	
	April 1, 2006	April 2, 2005
Amortization expense	$ 19,535	1,000

Goodwill consists of the following:

	Mohawk	Dal-Tile	Unilin	Total
Balance as of January 1, 2006	$ 198,132	1,191,672	1,232,159	2,621,963
Goodwill recognized during the period	-	-	(1,220)	(1,220)
Effect of translation	-	-	21,646	21,646
Balance as of April 1, 2006	198,132	1,191,672	1,252,585	2,642,389

The change in goodwill within the Unilin reporting unit resulted from adjustments made to the opening balance sheet relating to the Unilin acquisition.

6. Accounts payable and accrued expenses

Accounts payable and accrued expenses are as follows:

	April 1, 2006	December 31, 2005
Outstanding checks in excess of cash	$ 59,100	97,389
Accounts payable, trade	398,418	401,543
Accrued expenses	265,687	240,827
Income taxes payable	159,575	121,533
Accrued compensation	150,946	136,813
Total accounts payable and accrued expenses	$ 1,033,726	998,105

7. Product Warranties

The Company warrants certain qualitative attributes of its products for up to 20 years. The Company records a liability for estimated warranty and related costs, based on historical experience and periodically adjusts these liabilities to reflect actual experience. The warranty obligation is as follows:

(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	April 1, 2006	April 2, 2005
Balance at beginning of period	$ 25,988	23,473
Warranty claims paid	(12,976)	(12,434)
Warranty expense	12,226	13,995
Balance at end of period	$ 25,238	25,034

8. Comprehensive income

Comprehensive income is as follows:

	Three Months Ended	
	April 1, 2006	April 2, 2005
Net earnings	$ 71,120	70,020
Other comprehensive income:		
Foreign currency translation	43,372	(177)
Unrealized (loss) gain on derivative instruments, net of income taxes	(1,958)	1,182
Comprehensive income	$ 112,534	71,025

9. Stock compensation

Prior to January 1, 2006, the Company accounted for its stock compensation plans under the recognition and measurement provisions of APB Opinion No. 25, Accounting for Stock Issued to Employees, and related Interpretations, as permitted by FASB No. 123, Accounting for Stock-Based Compensation. Accordingly, no stock-based employee compensation cost related to stock options was recognized in the Statement of Operations as all options granted under the plans had an exercise price equal to the market value of the underlying common stock on the date of grant. Effective January 1, 2006, the Company adopted the fair value recognition provisions of FASB No. 123(R), Share-Based Payment, using the modified-prospective-transition method. Under that transition method, compensation cost includes: (a) compensation cost for all share-based payments granted prior to, but not yet vested as of January 1, 2006, based on the grant date fair value estimated in accordance with the original provisions of FASB No. 123, and (b) compensation cost for all share-based payments granted subsequent to January 1, 2006, based on the grant-date fair value estimated in accordance with the provisions of FASB No. 123(R). Results for prior periods have not been restated.

Prior to the adoption of FASB No. 123(R), the company presented all tax benefits of deductions resulting from the exercise of stock options as operating cash flows in the Statement of Cash Flows. FASB No. 123(R) requires the cash flows resulting from the tax benefits resulting from tax deductions in excess of the compensation cost recognized for those options (excess tax benefits) to be classified as financing cash flows. Accordingly, the Company has classified the excess tax benefit as a financing cash inflow.

(In thousands, except per share amounts)
(Unaudited)

Under the Company's 2002 Long-Term Incentive Plan ("Plan"), the Company's principal stock compensation plan, stock options may be granted to directors and key employees through 2012 to purchase a maximum of 3,200 shares of common stock. Option awards are generally granted with an exercise price equal to the market price of the Company's common stock on the date of the grant. Those option awards generally vest between three and five years and have a 10-year contractual term. In addition, the Company maintains an employee incentive program that awards restricted stock on the attainment of certain service criteria. The outstanding awards related to these programs and related compensation expense was not significant for the quarters ended April 1, 2006 and April 2, 2005.

On October 31, 2005, the Company entered into a Discounted Stock Purchase Agreement (the "DSPA") with certain members of the Unilin management team (the "Unilin Management"). Under the terms of the DSPA the Company will be obligated to make cash payments to the Unilin Management in the event that certain performance goals are satisfied. In each of the years in the five-year period ended December 31, 2010, the Unilin Management can earn amounts, in the aggregate, equal to the average value of 35,133 shares of the Company's common stock over the 20 trading day period ending on December 31 of the prior year. Any failure in a given year to reach the performance goals may be rectified, and consequently the amounts payable with respect to achieving such criteria may be made, in any of the other years. The amount of the liability is measured each period and recognized as compensation expense in the statement of operations.

The following table illustrates the effect on net income and earnings per share if the Company had applied the fair value recognition provisions to options granted under the Plan in the period presented. For purposes of this pro forma disclosure, the value of the options is estimated using a Black-Scholes-Merton option-pricing formula and amortized to expense over the options' vesting periods.

	Three Months Ended April 2, 2005
Net earnings as reported	$ 70,020
Add: Stock-based employee compensation included in reported net earnings, net of related tax effects	-
Deduct: Stock-based employee compensation expense determined under fair value based method for all awards, net of related tax effects	(1,955)
Pro forma net earnings	$ 68,065
Net earnings per common share (basic):	
As reported	$ 1.05
Pro forma	$ 1.02
Net earnings per common share (diluted):	
As reported	$ 1.03
Pro forma	$ 1.01

The fair value of the option award is estimated on the date of grant using the Black-Scholes-Merton valuation model that uses the assumptions noted in the following table. Expected volatility is based on the historical volatility of the Company's common stock and other factors. The Company uses historical data to estimate option exercise and forfeiture rates within the valuation model. Optionees that exhibit similar option exercise behavior are segregated into separate groups within the valuation model. The expected term of options granted represents the period of time that options granted are expected to be outstanding. The risk-free rate is based on U.S. Treasury yields in effect at the time of the grant for the expected term of the award.

(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	April 1, 2006	April 2, 2005
Dividend yield	-	-
Risk-free interest rate	4.6 %	3.9 %
Expected volatility	35.3 %	38.0 %
Expected life (years)	5.4	6.0

The summary of the Company's Plan as of April 1, 2006, and changes during the period then ended is presented as follows:

	Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (years)	Average Intrinsic Value
Options outstanding, beginning of quarter	2,276	$ 59.60		
Granted	144	83.76		
Exercised	(171)	37.77		
Forfeited and expired	(11)	67.91		
Options outstanding, end of period	2,238	62.78	7.0	$ 43,733
Vested and expected to vest at April 1, 2006	2,188	$ 62.31	7.0	$ 43,600
Exercisable at April 1, 2006	1,150	$ 50.24	5.8	$ 35,492

The weighted-average grant-date fair value of options granted during the quarter ended April 1, 2006 was $33.90 and $38.19 for the quarter ended April 2, 2005. The total intrinsic value of options exercised during the quarter ended April 1, 2006, was $5,493. Total compensation expense recognized for the three month period ended April 1, 2006, was $2,750 or $1,742, net of tax, which was allocated to selling, general and administrative expenses. If the Company had continued to account for share-based compensation under APB Opinion No. 25, basic and diluted net earnings per share for the quarter ended April 1, 2006 would have been $1.08 and $1.07, respectively.

(In thousands, except per share amounts)
(Unaudited)

The following table summarizes information about the Company's stock options outstanding at April 1, 2006:

	Outstanding			Exercisable	
Exercise price range	Number of Shares	Average Life	Average Price	Number of Shares	Average Price
Under $35.13	389	3.96	$ 27.36	387	$ 27.34
$38.73-57.88	388	6.71	49.14	260	48.70
$58-63.90	413	6.03	62.96	303	63.05
$65.02-73.45	388	7.78	72.32	133	72.22
$73.54-88.33	650	9.15	85.90	66	86.85
$89.46-90.97	10	8.92	90.42	1	90.97
Total	2,238	7.01	62.78	1,150	50.24

10. Earnings per share

The Company applies the provisions of SFAS No. 128, "*Earnings per Share*," which requires companies to present basic EPS and diluted EPS. Basic EPS excludes dilution and is computed by dividing income available to common stockholders by the weighted-average number of common shares outstanding for the period. Diluted EPS reflects the dilution that could occur if securities or other contracts to issue common stock were exercised or converted into common stock or resulted in the issuance of common stock that then shared in the earnings of the Company.

Dilutive common stock options are included in the diluted EPS calculation using the treasury stock method. Options to purchase common stock excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive were 1,048 and 7 shares for the three month period ended April 1, 2006 and April 2, 2005, respectively.

	Three Months Ended	
	April 1, 2006	April 2, 2005
Net earnings	$ 71,120	70,020
Weighted-average common and dilutive potential common shares outstanding:		
Weighted-average common shares outstanding	67,564	66,804
Add weighted-average dilutive potential common shares - options to purchase common shares, net	515	888
Weighted-average common and dilutive potential common shares outstanding	68,079	67,692
Basic earnings per share	$ 1.05	1.05
Diluted earnings per share	$ 1.04	1.03

(In thousands, except per share amounts)
(Unaudited)

11. Supplemental Condensed Consolidated Statements of Cash Flows Information

	Three Months Ended	
	April 1, 2006	April 2, 2005
Net cash paid during the period for:		
Interest	$ 28,086	2,887
Income taxes	$ 5,990	1,803

12. Segment reporting

The Company has three reporting segments, the Mohawk segment, the Dal-Tile segment and the Unilin segment. The Mohawk segment (an aggregation of the Mohawk Flooring reporting unit and the Mohawk Home reporting unit) designs manufactures, sources, markets and distributes its product lines, which include carpet, rugs, pad, ceramic tile, hardwood, resilient and laminate through independent floor covering retailers, home centers, mass merchandisers, department stores, commercial dealers and commercial end users. The Dal-Tile segment designs manufactures, sources, markets and distributes its product lines that include ceramic tile, porcelain tile and stone products sold through tile and flooring retailers, contractors, independent distributors and home centers. The Unilin segment, which is headquartered in Belgium, is a leading manufacturer, distributor and marketer of laminate flooring, insulated roofing and other wood panels in Europe and the United States. Unilin sells its laminate flooring products through independent distributors and specialty stores in Europe and the United States, as well as through traditional retailers in France, Belgium and The Netherlands and, in some circumstances, under private label names.

The accounting policies for each operating segment are consistent with the Company's policies described in the footnotes to the consolidated financial statements included in the Company's Annual Report filed on Form 10-K. Amounts disclosed for each segment are prior to any elimination or consolidation entries. Corporate general and administrative expenses attributable to each segment are estimated and allocated accordingly. Segment performance is evaluated based on operating income.

Segment information is as follows:	Three Months Ended	
	April 1, 2006	April 2, 2005
Net sales:		
Mohawk	$ 1,150,546	1,091,346
Dal-Tile	473,910	401,876
Unilin	302,630	-
Corporate, Eliminations and Inter-Segment Sales	(1,980)	-
	$ 1,925,106	1,493,222
Operating income:		
Mohawk	$ 52,279	65,625
Dal-Tile	69,602	58,470
Unilin	40,019	-
Corporate and Eliminations	(11,333)	(465)
	$ 150,567	123,630

(In thousands, except per share amounts)

	As of	
	April 1, 2006	December 31, 2005
Assets:		
Mohawk	$2,458,587	2,424,983
Dal-Tile	2,257,052	2,207,514
Unilin	3,255,582	3,263,248
Corporate and Eliminations	89,512	95,778
	$8,060,733	7,991,523

13. Commitments, Contingencies and Other

The Company is involved in litigation from time to time in the regular course of its business. Except as noted below, there are no material legal proceedings pending or known to be contemplated to which the Company is a party or to which any of its property is subject.

In *Shirley Williams, et al vs. Mohawk Industries, Inc.*, four plaintiffs filed a purported class action lawsuit in January 2004, in the United States District Court for the Northern District of Georgia, alleging that they are former and current employees of the Company and that the actions and conduct of the Company, including the employment of persons who are not permitted to work in this country, have damaged them and the other members of the purported class by suppressing the wages of the Company's hourly employees in Georgia. The plaintiffs seek a variety of relief, including (a) treble damages; (b) return of any allegedly unlawful profits; and (c) attorney's fees and costs of litigation. In February 2004, the Company filed a Motion to Dismiss the Complaint, which was denied by the Northern District in April 2004. The Company then sought and obtained permission to file an immediate appeal of the Northern District's decision to the United States Court of Appeals for the 11th Circuit. In June 2005, the 11th Circuit reversed in part and affirmed in part the lower court's decision (Williams v. Mohawk Industries, Inc., 411 F.3d 1252 (11th Cir. 2005)). In June 2005, the Company filed a motion requesting review by the full 11th Circuit, which was denied in August 2005. In October 2005, the Company filed a petition for certiorari with the United States Supreme Court, which petition was granted in December 2005. The case was argued before the Supreme Court on April 26, 2006. The Company believes it has meritorious defenses and intends to continue vigorously defending itself against this action.

The Company believes that adequate provisions have been made for all pending litigation for probable losses with respect to the resolution of all claims and pending litigation and that the ultimate outcome of these actions will not have a material adverse effect on its financial condition but could have a material effect on its results of operations in a given quarter or annual period.

On January 17, 2006, the Company issued $500,000 aggregate principal amount of 5.750% notes due 2011 and $900,000 aggregate principal amount of 6.125% notes due 2016. The net proceeds from the issuance of these notes were used to pay off a $1,400,000 bridge credit facility entered into in connection with the Unilin acquisition. Interest payable on each series of notes will be increased in the event of a downgrade in the Company's debt rating determined by certain rating agencies. The maximum increase in the event of a downgrade is 2%. If the Company's debt rating subsequently improves, then the interest rates would be reduced accordingly.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

The Company is a leading producer of floor covering products for residential and commercial applications in the United States and Europe with net sales in 2005 in excess of $6.6 billion. The Company is the second largest carpet and rug manufacturer, and a leading manufacturer, marketer and distributor of ceramic tile and natural stone, in the United States and a leading producer of laminate flooring in the United States and Europe.

The Company has three reporting segments, the Mohawk segment, the Dal-Tile segment and the Unilin segment. The Mohawk segment distributes its product lines, which include carpet, rugs, pad, ceramic tile, hardwood, resilient and laminate, through its network of approximately 53 regional distribution centers and satellite warehouses using its fleet of company-operated trucks, common carrier or rail transportation. The segment product lines are purchased by independent floor covering retailers, home centers, mass merchandisers, department stores, independent distributors, commercial dealers and commercial end users. The Dal-Tile segment product lines include ceramic tile, porcelain tile and stone products distributed through approximately 260 company-operated sales service centers and regional distribution centers using primarily common carriers and rail transportation. The segment product lines are purchased by tile specialty dealers, tile contractors, floor covering retailers, commercial end users, independent distributors and home centers. The Unilin segment manufactures and markets laminate flooring products which are distributed through separate distribution channels consisting of retailers, contractors, commercial users, independent distributors and home centers. The business is organized to address the specific customer needs of each distribution channel.

The Company reported net earnings of $71.1 million or diluted earnings per share ("EPS") of $1.04, up for the first quarter of 2006 compared to net earnings of $70.0 million or $1.03 EPS for the first quarter of 2005. The increase in EPS resulted primarily from the Unilin acquisition, internal growth and price increases. The increase was offset by an increase in the provision for LIFO over the prior year's first quarter from increased raw material costs, higher energy costs, increased distribution costs and the expensing of stock options.

Results of Operations

Quarter Ended April 1, 2006, as Compared with Quarter Ended April 2, 2005

Net sales for the quarter ended April 1, 2006 were $1,925.1 million, reflecting an increase of $431.9 million, or approximately 28.9%, from the $1,493.2 million reported in the quarter ended April 2, 2005. The increased net sales are primarily attributable to the Unilin acquisition, internal growth and price increases. The Mohawk segment recorded net sales of $1,150.5 million in the current quarter compared to $1,091.3 million in the first quarter of 2005, representing an increase of $59.2 million or approximately 5.4%. The increase was primarily attributable to price increases. The Dal-Tile segment recorded net sales of $473.9 million in the current quarter, reflecting an increase of $72.0 million or approximately 17.9%, from the $401.9 million reported in the first quarter of 2005. The increase was primarily attributable to internal growth and improved product mix. The Unilin segment recorded net sales of $302.6 million in the current quarter.

Gross profit for the first quarter of 2006 was $503.0 million (26.1% of net sales) and represented an increase of $118.3 million from gross profit of $384.7 million (25.8% of net sales) for the prior year's first quarter. Gross profit as a percentage of net sales in the current quarter was favorably impacted by the Unilin acquisition, increased prices, and changes in product mix. The increase was offset by an increase in the provision for LIFO, over the prior year's first quarter, from increased raw material costs, higher energy and increased distribution costs caused by increased oil and commodity prices when compared to the first quarter of 2005.

Selling, general and administrative expenses for the first quarter of 2006 were $352.4 million (18.3% of net sales) compared to $261.1 million (17.5% of net sales) for the prior year's first quarter. The increase in percentage was attributable to the Unilin segment, which has higher selling, general and administrative expenses as a percentage of net sales, and the expensing of stock options during the current quarter when compared to the quarter ended April 2, 2005.

Operating income for the first quarter of 2006 was $150.6 million (7.8% of net sales) compared to $123.6 million (8.3% of net sales) in the first quarter of 2005. Operating income as a percentage of net sales in the current quarter was unfavorably impacted by the expensing of stock options, an increase in the provision for LIFO, over the prior year's first quarter from increased raw material costs and higher energy costs, offset by selling price increases, and internal growth within the hard surface product categories. Operating income attributable to the Mohawk segment was $52.3 million (4.5% of segment net sales) in the first quarter of 2006 compared to $65.6 million (6.0% of segment net sales) in the first quarter of 2005. Operating income as a percentage of net sales in the current quarter was unfavorably impacted by an increase in the provision for LIFO, over the prior year's first quarter, resulting from increased raw material and energy costs, increased distribution costs resulting from increases in energy costs, offset by selling price increases, and internal growth within hard surface product categories. Operating income attributable to the Dal-Tile segment was $69.6 million (14.7% of segment net sales) in the first quarter of 2006 compared to $58.5 million (14.5% of segment net sales) for the first quarter of 2005. Operating income attributable to the Unilin segment was $40.0 million (13.2% of segment net sales) in the first quarter of 2006.

Interest expense for the first quarter of 2006 was $40.3 million compared to $11.9 million in the first quarter of 2005. The increase in interest expense was attributable to higher average debt levels as a result of the Unilin acquisition in the current quarter when compared to the first quarter of 2005. In addition, interest rates in the first quarter of 2006 were higher when compared to the first quarter of 2005.

Income tax expense was $36.4 million, or 33.8% of earnings before income taxes for the first quarter of 2006 compared to $39.7 million or 36.2% of earnings before income taxes for the prior year's first quarter. The decrease in the tax rate is due to the combination of domestic and international tax rates resulting from the Unilin acquisition in the current quarter when compared to the quarter ended April 2, 2005.

Liquidity and Capital Resources

The Company's primary capital requirements are for working capital, capital expenditures and acquisitions. The Company's capital needs are met primarily through a combination of internally generated funds, bank credit lines, term and senior notes, the sale of trade receivables and credit terms from suppliers.

Cash flows generated by operations for the first three months of 2006 were $104.5 million compared to $50.7 million for the first three months of 2005. Contributing to the improved cash flow was improved net earnings after adjusting for the incremental depreciation and amortization expense resulting from the Unilin acquisition and improved inventory turns when compared to the prior year's first quarter.

Net cash used in investing activities for the first three months of 2006 was $45.6 million compared to $85.1 million for the first three months of 2005. Excluding acquisitions, capital expenditures in the current quarter increased over the first quarter of 2005. The increase is due to the expansion of internal capacity within the Mohawk, Dal-Tile and Unilin segments. Capital spending during the remainder of 2006 for the Mohawk, Dal-Tile and Unilin segments combined, excluding acquisitions, is expected to range from $245 million to $265 million, and will be used primarily to purchase equipment and to add manufacturing capacity.

Net cash used in financing activities for the first three months of 2006 was $112.7 million compared to net cash provided by financing activities of $34.4 million for the same period in 2005. The primary reason for the change was an increase in debt payments during the first three months of 2006 compared to the same period in 2005.

At April 1, 2006, a total of approximately $548.4 million was available under the senior unsecured credit facilities and the Euro revolving credit facility. The amount used under the senior unsecured credit facilities at April 1, 2006 was $1.1 billion. The amount used under the unsecured credit facilities is composed of $1.0 billion in borrowings, $55.6 million in letters of credit guaranteeing the Company's industrial revenue bonds and $26.0 million in standby letters of credit related to various insurance contracts and foreign vendor commitments.

On January 17, 2006, the Company issued $500 million aggregate principal amount of 5.750% notes due 2011 and $900 million aggregate principal amount of 6.125% notes due 2016. The net proceeds from the issuance of these notes were used to pay off a $1.4 billion bridge credit facility entered into in connection with the Unilin acquisition. Interest payable on each series of notes will be increased in the event of a downgrade in the Company's debt rating determined by certain rating agencies. The maximum increase in the event of a downgrade is 2%. If the Company's debt rating subsequently improves, then the interest rates would be reduced accordingly.

The Company has an on-balance sheet trade accounts receivable securitization agreement ("Securitization Facility"). The Securitization Facility allows the Company to borrow up to $350 million based on available accounts receivable. At April 1, 2006, the Company had approximately $40.0 million outstanding secured by trade receivables.

Contractual Obligations

There have been no significant changes to the Company's contractual obligation as disclosed in the Company's 2005 Annual Report filed on Form 10-K.

Critical Accounting Policies and Estimates

There were no significant changes to the Company's critical accounting policies and estimates during the period. The Company's critical accounting policies and estimates are described in the Company's 2005 Annual Report filed on Form 10-K.

Impact of Inflation

Inflation affects the Company's manufacturing costs, distribution costs and operating expenses. The carpet, tile and laminate industry have experienced significant inflation in the prices of raw materials and fuel-related costs beginning in the first quarter of 2005. For the period from 1999 through 2004 the carpet and tile industry experienced moderate inflation in the prices of raw materials and fuel-related costs. In the past, the Company has generally been able to pass along these price increases to its customers and has been able to enhance productivity to help offset increases in costs resulting from inflation in its operations.

Seasonality

The Company is a calendar year-end company. With respect to its Mohawk and Dal-Tile segments, its results of operations for the first quarter tend to be the weakest. The second, third and fourth quarters typically produce higher net sales and operating income in these segments. These results are primarily due to consumer residential spending patterns for floor covering, which historically have decreased during the first two months of each year following the holiday season. The Unilin segment's second and fourth quarters typically produce higher net sales and earnings followed by a moderate first quarter and a weaker third quarter. The third quarter is traditionally the weakest due to the European holiday in late summer.

Forward-Looking Information

Certain of the statements in this Form 10-Q, particularly those 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" within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. 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 industry conditions; competition; raw material prices; energy costs; timing and level of capital expenditures; integration of acquisitions; introduction of new products; rationalization of operations; litigation; and other risks identified in Mohawk's SEC reports and public announcements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The Company's exposures to market risk have not changed significantly since December 31, 2005.

Item 4. Controls and Procedures

Based on an evaluation of the effectiveness of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended) as of the end of the period covered by this report, the Company's Chief Executive Officer and Chief Financial Officer have concluded that such controls and procedures were effective for the period covered by this report. No change in the Company's internal control over financial reporting occurred during the period covered by this report that materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is involved in litigation from time to time in the regular course of its business. Except as noted below, there are no material legal proceedings pending or known to be contemplated to which the Company is a party or to which any of its property is subject.

In *Shirley Williams, et al vs. Mohawk Industries, Inc.*, four plaintiffs filed a purported class action lawsuit in January 2004, in the United States District Court for the Northern District of Georgia, alleging that they are former and current employees of the Company and that the actions and conduct of the Company, including the employment of persons who are not permitted to work in this country, have damaged them and the other members of the purported class by suppressing the wages of the Company's hourly employees in Georgia. The plaintiffs seek a variety of relief, including (a) treble damages; (b) return of any allegedly unlawful profits; and (c) attorney's fees and costs of litigation. In February 2004, the Company filed a Motion to Dismiss the Complaint, which was denied by the Northern District in April 2004. The Company then sought and obtained permission to file an immediate appeal of the Northern District's decision to the United States Court of Appeals for the 11th Circuit. In June 2005, the 11th Circuit reversed in part and affirmed in part the lower court's decision (Williams v. Mohawk Industries, Inc., 411 F.3d 1252 (11th Cir. 2005)). In June 2005, the Company filed a motion requesting review by the full 11th Circuit, which was denied in August 2005. In October 2005, the Company filed a petition for certiorari with the United States Supreme Court, which petition was granted in December of 2005. The case was argued before the Supreme Court on April 26, 2006. The Company believes it has meritorious defenses and intends to continue vigorously defending itself against this action.

The Company believes that adequate provisions have been made for all pending litigation for probable losses with respect to the resolution of all claims and pending litigation and that the ultimate outcome of these actions will not have a material adverse effect on its financial condition but could have a material effect on its results of operations in a given quarter or annual period.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Mohawk Industries, Inc. Purchases of Equity Securities

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
Opening balance	11,437,564	$28.81	11,437,564	3,562,436
Month #1 (January 1, 2006-February 4, 2006)	-	-	-	-
Month #2 (February 5, 2006-March 4, 2006)	-	-	-	-
Month #3 (March 5, 2006-April 1, 2006)	-	-	-	-
Total	11,437,564	$28.81	11,437,564	3,562,436

(1) The total number of shares repurchased includes an aggregate of 44,874 shares surrended to the Company to satisfy the exercise price and tax withholding obligations in connection with the exercise of stock options.

On September 29, 1999, the Company announced that its Board of Directors authorized the repurchase of up to 5 million shares of the Company's common stock. On December 16, 1999, the Company announced that the Company's Board of Directors authorized the repurchase of an additional 5 million shares of its common stock under the existing repurchase plan. On May 18, 2000, the Company announced that the Company's Board of Directors authorized the repurchase of an additional 5 million shares of its common stock under the existing repurchase plan. The Company did not repurchase any of its common stock during the first quarter of 2006.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

No.	Description
10.1	Employment Agreement dated November 15, 2005 by and between Mohawk Industries, Inc. and W. Christopher Wellborn.
31.1	Certification Pursuant to Rule 13a-14(a).
31.2	Certification Pursuant to Rule 13a-14(a).
32.1	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2	Certification Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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 thereunto duly authorized.

MOHAWK INDUSTRIES, INC.

Dated: May 9, 2006

By: /s/ Jeffrey S. Lorberbaum
JEFFREY S. LORBERBAUM, Chairman, President and Chief Executive Officer (principal executive officer)

Dated: May 9, 2006

By: /s/ Frank H. Boykin
FRANK H. BOYKIN, Chief Financial Officer, (principal financial officer)

Exhibit 10.1

EMPLOYMENT AGREEMENT

EMPLOYMENT AGREEMENT dated as of November 15, 2005 (the "Effective Date"), by and between Mohawk Industries, Inc., (the "Company") and W. Christopher Wellborn (the "Executive").

The Company desires to employ the Executive as Chief Operating Officer and the Executive desires to accept such employment on the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual premises and agreements herein contained, and other good and valuable consideration, the receipt and adequacy of which is acknowledged, the parties hereby agree as follows:

1. Term of Employment. The term of the Executive's employment under this Agreement (the "Term") shall commence on the Effective Date and continue through and expire on December 31, 2008 unless earlier separation from service occurs as herein provided.

2. Duties of Employment. The Executive hereby agrees for the Term to render his exclusive services to the Company as its Chief Operating Officer, in connection therewith, to perform such duties commensurate with his office as he shall reasonably be directed by the Board of Directors of the Company (the "Board") to perform. The Executive shall devote during the Term all of his business time, energy and skill to his executive duties hereunder and perform such duties faithfully and efficiently, except for reasonable vacations and except for periods of illness or incapacity. When and if requested to do so by the Board, the Executive shall, for no additional compensation, serve as a director of the Company and/or a director or officer of any subsidiary or affiliate of the Company, provided that the Executive shall be indemnified for liabilities incurred by him in his capacity as a director or an officer in accordance with an Indemnification Agreement as provided in the Company's Certificate of Incorporation and By-Laws as in effect from time to time. Executive shall not be required or expected to serve as a director of the Company or any affiliate or subsidiary of the Company upon his separation from service with the Company.

4. Compensation and Other Benefits.

4.1 Salary. As compensation for all services to be rendered by the Executive during the Term, the Company shall pay to the Executive a salary at the rate of $700,000 per year (which may be increased from time to time by the Board (the "Annual Salary")), payable in accordance with the Company's usual payroll practices. The Executive shall be eligible to receive annual salary reviews and salary increases as authorized by the Board.

4.2 Bonus. In addition to his Annual Salary, the Executive shall be eligible to be paid a bonus in respect of each fiscal year of the Company (the "Annual Bonus") in accordance with the Company's bonus plan (the "Plan"), which Annual Bonus shall be determined by the Compensation Committee of the Board. The amount of the Annual Bonus shall be (i) 50% of the amount of the Annual Salary upon attainment of the "threshold" performance goal established under the Plan as determined by the Compensation Committee of the Board and the Board and (ii) a "target" of 75% of the amount of the Annual Salary upon attainment of the "target" performance goal established under the Plan as determined by the Compensation Committee of the Board and the Board and (iii) a maximum of 100% of the amount of the Annual Salary upon attainment of the "maximum" performance goal established under the Plan as determined by the Compensation Committee of the Board and the Board.

4.3 Stock Options. Concurrent with the Effective Date of this Agreement, Mohawk will grant non-statutory stock options (the "Options") to Executive to purchase 50,000 shares of Mohawk common stock in accordance with the terms and provisions of the 2002 Mohawk Industries, Inc. Long Term Incentive Plan. The per-share exercise price of the Options shall be the fair market value of Mohawk common stock on the date of grant of such Options, and twenty percent (20%) of the Options shall vest and become exercisable on each of the first five anniversaries respectively of the Effective Date of this Agreement. In the event (i) of a change in control of Mohawk or the Company; (ii) Executive separates from service without Cause (as defined in Section 6.3 hereof); or (iii) Executive separates from service for Good Reason (as defined in Section 6.4 hereof), the Options shall immediately vest and become fully exercisable, and shall be transferable by Executive to the maximum extent permitted under the 2002 Mohawk Industries, Inc. Long Term Incentive Plan. The Options shall remain exercisable for a ten-year period after the Effective Date. The terms and conditions of the Options shall be set forth in a written agreement (the "Stock Option Agreement") and, other than as set forth herein, shall be consistent with the terms and conditions of stock option agreements applicable to comparable executives of Mohawk. Mohawk agrees that Executive shall participate in future grants of stock options in a manner comparable to similar Mohawk executives.

4.4 Participation in Employee Benefit Plans. Commencing on the respective eligibility dates of the employee benefit plans and subject to the terms of such employee benefit plans, during the Term, the Executive shall be permitted to participate in any group life, hospitalization or disability insurance plan, health program, pension plan, similar benefit plan or other so-called "fringe benefit programs" of the Company as now existing or as may hereafter be revised or adopted.

4.5 Vacation. The Executive shall be entitled to three (3) weeks vacation per annum.

5. Covenants by Executive. In order to induce the Company to enter this Agreement and the Stock Option Agreement, the Executive hereby agrees as follows:

5.1 Definitions. The following definitions shall apply to this Agreement.

(i) The term "Trade Secret," whether in the singular or plural, means any Confidential Information (as defined in Section 5.1(ii) below) which constitutes a trade secret of the Company, or any of the Company's subsidiaries, under the Georgia Trade Secrets Act of 1990, as amended, O.C.G.A. § 10-1-760, *et seq*.

(ii) The term "Confidential Information" means any information, regardless of form, concerning any aspect of the business of the Company, or the business of any of the Company's subsidiaries, which is not generally known to the Company's competitors and which the Company desires and makes reasonable efforts to keep confidential. Confidential Information includes, but is not limited to, information relating to customers and potential customers, suppliers and potential suppliers, contracts with customers and suppliers, employees, personnel acquisition plans, pricing of products and services, financial information, financial projections, budget information and procedures, marketing plans and strategies, market research, technical processes, and product research. After the third anniversary of the Executive's separation from the Company, Confidential Information shall not include any information that does not constitute a Trade Secret.

5.2 Acknowledgments of Executive. The Executive acknowledges that his work for the Company will give him access to Trade Secrets and Confidential Information. The Executive further acknowledges that he inevitably would use, or inadvertently disclose, Trade Secrets and Confidential Information if, at any time within three years of his separation from the Company, he were to work or consult for any competitor of the Company, or any of the Company's subsidiaries, in any capacity requiring high-level management expertise with respect to any aspect of the manufacture or distribution of commercial or residential floor covering.

5.3 Confidential Information. Except as required by his work for the Company, the Executive will not at any time, either during or after his employment with the Company, communicate or disclose to any person, firm, corporation or other entity, or use for his benefit or for the benefit of any person, firm, corporation or other entity, directly or indirectly, any Trade Secret or Confidential Information.

5.4 Company Property. All memoranda, notes, lists, records and other documents or papers, (and all copies thereof), including such items stored in computer memories, on microfiche or by any means, made or controlled by or on behalf of the Executive, or made available to the Executive relating to the Company, or any of the Company's subsidiaries, are and shall remain the Company's property and shall be delivered to the Company upon the Executive's separation from the Company, unless requested earlier by the Company.

5.5 Conflicts of Interest. During his employment with the Company, the Executive shall at all times strictly comply with the Company's policies concerning conflicts of interest.

5.6 Survival of Obligations. The Executive's obligations under this Section 5 shall survive the Term of this Agreement and the Executive's employment with the Company.

6. Separation from Service.

6.1 Death. If the Executive dies during the Term, this Employment Agreement shall terminate immediately, except that the Executive's legal representatives shall be entitled to receive any Annual Salary to the extent such Annual Salary has accrued and remains payable up to the date of the Executive's death (to be paid in accordance with the Company's usual payroll practices), plus a portion of the Executive's Annual Bonus, as set forth in Section 4.2 computed on a pro rata basis based on the assumption that the Executive would have earned a "target" bonus equal to 75% of Executive's Annual Salary (to be paid as promptly as practicable but no later than 10 days after the date of Executive's death), and any benefits to which the Executive, his heirs or legal representatives may be entitled under and in accordance with the terms of any employee benefits plan or program maintained by the Company.

6.2 Upon Disability. If the Executive becomes disabled during his employment hereunder so that he is unable substantially to perform his services hereunder for 180 consecutive days, then the term of this Agreement may be terminated by resolution of the Board 60 days after the expiration of such 180 days, such termination to be effective upon delivery of written notice to the Executive of the adoption of such resolution; provided, that the Executive shall be entitled to receive any accrued and unpaid Annual Salary through such effective date of separation from service (to be paid in accordance with the Company's usual payroll practices), plus a portion of the Executive's Annual Bonus, as set forth in Section 4.2 computed on a pro rata basis based on the assumption that the Executive would have earned a "target" bonus equal to 75% of Executive's Annual Salary (to be paid as promptly as practicable but no later than 10 days after the Executive's separation from service), and any benefit to which the Executive may be entitled under and in accordance with the terms of any employee benefit plan or program maintained by the Company.

6.3 Separation from Service for Cause. The Company has the right, at any time during the Term, subject to all of the provisions hereof, exercisable by serving notice, effective in accordance with its terms, to separate the Executive from service under this Agreement and discharge the Executive for "Cause" (as defined below). If such right is exercised, the Executive shall be entitled to receive unpaid and accrued Annual Salary prorated through the date of such separation from service, any benefits vested as of the date of such separation from service, and any other compensation or benefits otherwise required to be paid under applicable law. Except for such payments, the Company shall be under no further obligation to the Executive. As used in this Section 5, the term "Cause" shall mean and include (i) the conviction of or plea of guilty by the Executive of any felony or other serious crime involving the Company, or (ii) gross or willful misconduct by the Executive in the performance of his duties hereunder; provided however, that no act shall be considered gross or willful misconduct if the Executive reasonably believes he was acting in good faith or in a manner not opposed to the interests of the Company. The Company shall be entitled to separate the Executive from service for Cause only upon approval of a resolution adopted by the affirmative vote of not less than two-thirds of the membership of the Board (excluding Executive). The Company agrees to provide to the Executive prior written notice (the "Notice") of its intention to separate the Executive from service for Cause, such notice to state in detail the particular acts or failure to act which constitute grounds for the separation from service. The Executive shall be entitled to a hearing before the Board to contest the Board's findings, and to be accompanied by counsel. Such hearing shall be held with 15 days of the request thereof to the Company by the Executive, provided that such request must be made within 15 days of delivery of the Notice. If, following any such hearing, the Board maintains its determination to separate the Executive's service for Cause, the effective date of such separation from service shall be as specified in the Notice.

6.4 Separation from Service Without Cause. The Company shall have the right at any time during the Term to separate the Executive from service hereunder without Cause. Upon such a separation from service, or the separation from service by the Executive for Good Reason, the Company's sole obligation hereunder, except as otherwise provided in Section 4.3, shall be to pay (or, in the case of benefits specified in clause (iii), provide) to the Executive: (i) an amount equal to any Annual Salary accrued and due and payable to the Executive hereunder on the date of separation from service (to be paid in accordance with the Company's usual payroll practices); (ii) an amount equal to his Annual Salary for the remainder of the Term (to be paid in a lump sum as promptly as practicable, but no later than 10 days after the date of Executive's separation from service); (iii) all benefits specified in Section 4.4 hereof in accordance with the terms of such employee benefit plans; (iv) the greater of (A) a portion of the Executive's Annual Bonus as set forth in Section 4.2 computed on a pro-rated basis, based on the assumption that the Executive would have earned a "target" bonus equal to 75% of Executive's Annual Salary or (B) an amount equal to the amount of the Annual Bonus for the fiscal year preceding the fiscal year in which the date of separation from service occurs, pro-rated based on the number of days elapsed in the year of separation from service (to be paid in a lump sum as promptly as practicable, but no later than 10 days after the date of Executive's separation from service); and (v) a partial bonus under any other bonus plan(s) in which the Executive is a participant computed and determined in accordance with its terms, on a pro-rated basis based on the performance of the Company from the beginning of the bonus period through the date of separation from service (to be paid in a lump sum as promptly as practicable, but no later than 10 days after the date of Executive's separation from service). For purposes of this Agreement, "Good Reason" shall mean (i) a reduction in the Annual Salary or bonus opportunity as specified in Section 4.1 or 4.2, (ii) a material diminution in the Executive's duties or responsibilities, (iii) an adverse change in the Executive's title, or (iv) assignment to Executive of duties and responsibilities that are inconsistent with his position in any material respect. To the extent required to comply with Section 409A of the Internal Revenue Code of 1986, as amended (the "Code"), as determined by the Company's outside counsel, one or more payments under this Section 6.4 shall be delayed to the six-month anniversary of the date of Executive's separation from service, within the meaning of Code Section 409A. If and to the extent required to prevent a violation of Code Section 409A, Executive will pay the entire cost of any health insurance coverage for the first six (6) months after separation from service and the Company will reimburse Executive for the Company's share of such costs on the six-month anniversary of Executive's separation from service, as defined in Code Section 409A.

6.5 Other. Except as otherwise provided herein, upon the expiration or other termination of this Agreement, including the resignation of Executive, all obligations of the Company shall forthwith terminate, except as to any stock option rights as provided in the Stock Option Agreement and except as otherwise required by applicable law.

7. Expenses.

7.1 General. During the Term, the Executive will be reimbursed for his reasonable expenses incurred for the benefits of the Company in accordance with the general policy of the Company or directives and guidelines established by management of the Company and upon submission of documentation satisfactory to the Company. With respect to any expenses that are to be reimbursed by the Company to the Executive, the Executive shall be reimbursed upon his presenting to the Company an itemized expense voucher.

8. Provisions.

8.1 Notices. Any notice or other communication required or permitted hereunder shall be in writing and shall be delivered personally, telegraphed, telexed, sent by facsimile transmission, or sent by certified, registered or express mail, postage prepaid. Any such notice shall be deemed given when so delivered personally, telegraphed, telexed, or sent by facsimile transmission or, if mailed, five days after the date of deposit in the United States mail, as follows:

(i) if to the Company, to:

Mohawk Industries, Inc.
160 S. Industrial Boulevard
Calhoun, GA 30701
Attention: General Counsel

(ii) if to the Executive, to:

W. Christopher Wellborn
908 Suffolk Court
Southlake, Texas 76092

Any party may change its address for notice hereunder by notice to the other party hereto.

8.2 Entire Agreement. This Agreement and the Stock Option Agreement contain the entire agreement between the parties with respect to the subject matter hereof and supersede all prior agreements, written or oral, with respect thereto.

8.3 Waivers and Agreements. This Agreement may be amended, modified, superseded, cancelled, renewed or extended, and the terms and conditions hereof may be waived, only by a written instrument signed by the parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any party in exercising any right, power or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any right, power or privilege hereunder, nor any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power, or privilege hereunder.

8.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia applicable to agreements made and to be performed entirely within such State. Any lawsuit arising out of or relating to this Agreement shall be brought exclusively in the federal or state courts located in the State of Georgia, and the Executive and the Company hereby submit to personal jurisdiction in the State of Georgia and to venue in such courts.

8.5 Successors, Binding Agreement, Assignment. The Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, by agreement in form and substance satisfactory to the Executive, to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place. Failure of the Company to obtain such agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as would apply if the Executive separated from service pursuant to Section 6.4 hereof, except that for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the date of separation from service. As used in this Agreement, "Company" shall mean the Company as hereinbefore defined and any successor to its business and/or assets as aforesaid that executes and delivers the agreement provided for in this section or which otherwise becomes bound by all the terms and provisions of this Agreement by operation of law. This Agreement shall inure to the benefit of and be enforceable by the Executive's personal or legal representatives, executors, administrators, successors, heirs, distributees, devisees and legatees. Executive may not delegate the performance of any of his duties hereunder. Neither party hereto may assign any rights hereunder without the written consent of the other party hereto.

8.6 Counterparts. This Agreement may be executed in two counterparts, each of which shall be deemed an original but both of which together shall constitute one and the same instrument.

8.7 Headings. The headings in this Agreement are for reference purposes only and shall not in any way affect the meaning or interpretation of this Agreement.

9. Arbitration. Except for disputes arising out of or pertaining to Section 5 of this Agreement, any and all disputes arising out of or relating to this Agreement or the breach, termination or validity thereof shall be settled by arbitration before a sole arbitrator in accordance with the American Arbitration Association's then current National Rules of the Resolution of Employment Disputes (the "AAA Rules"). The arbitration shall be governed by the Federal Arbitration Act, 9 U.S.C. § 116, and judgment upon the award rendered by the arbitrator may be entered by any court having jurisdiction thereof. The arbitration shall be held in Atlanta, Georgia and, unless the parties agree otherwise, the arbitrator shall be selected in accordance with the AAA Rules. In case of conflict, the provisions of this Section 9 shall prevail over the AAA Rules.

Either party may demand arbitration by sending to the other party by certified mail a written notice of demand for arbitration, setting forth the matters to be arbitrated. The arbitrator shall have the authority to award only compensatory damages, and neither party shall be entitled to written or deposition discovery from the other. The Company will pay the fees and expenses of the arbitrator, as well as any attorneys' fees, expert witness fees, and other expenses. The arbitrator shall have no authority to alter, amend or modify any of the terms and conditions of this Agreement.

Before arbitrating the dispute, the parties, if they so agree, may endeavor to settle the dispute by mediation under the AAA Rules. Unless otherwise agreed by the parties, the mediator will be appointed by the American Arbitration Association in accordance with the AAA Rules. If the mediation is not successfully concluded within thirty (30) days, the dispute will proceed to arbitration as set forth above.

Notwithstanding the pendency of any dispute or controversy concerning separation from service or the effects thereof, the Company will continue to pay the Executive his full compensation in effect immediately before any notice of separation from service giving rise to the dispute was given and continue him as a participant in all compensation, benefit and insurance plans in which he was then participating, until an award has been entered by the arbitrator. Any amounts paid hereunder shall be set off against or reduced by any other amounts due under this Agreement.

10. Legal Fees and Expenses. It is the intent of the Company that the Executive not be required to incur the legal expenses associated with (i) the obtaining of any right or benefit under this Agreement or (ii) the enforcement of his rights under this Agreement by litigation or other legal action, because the cost and expense thereof would substantially detract from the benefits intended to be extended to the Executive hereunder. Accordingly, the Company irrevocably authorize the Executive from time to time to retain counsel of his choice, at the expense of the Company and/or Mohawk as hereafter provided, to represent the Executive in connection with the interpretation or enforcement of this Agreement, including the initiation of any arbitration or the defense of any arbitration or litigation, whether by or against the Company, or any Director, officer, stockholder or other person affiliated with the Company. The Company shall pay or cause to be paid and shall be solely responsible for any and all reasonable attorneys' and related fees and expenses incurred by the Executive under this Section 10.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

By: /s/: W. Christopher Wellborn

Name: W. Christopher Wellborn

Title: Chief Operating Officer

MOHAWK INDUSTRIES, INC.

By: /s/:Salvatore J. Perillo

Name: Salvatore J. Perillo

Title: VP/General Council

EXHIBIT 31.1

CERTIFICATIONS

I, Jeffrey S. Lorberbaum, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mohawk Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2006
/s/: Jeffrey S. Lorberbaum
Jeffrey S. Lorberbaum
Chairman, President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Frank H. Boykin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Mohawk Industries, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 9, 2006

/s/: Frank H. Boykin
Frank H. Boykin
Chief Financial Officer

Exhibit 32.1

Statement of Chief Executive Officer of
MOHAWK INDUSTRIES, INC.
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to
§ 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report of Mohawk Industries, Inc. (the "Company") on Form 10-Q for the period ended April 1, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey S. Lorberbaum, Chairman, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, based on my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/:Jeffrey S. Lorberbaum
Jeffrey S. Lorberbaum
Chairman, President and Chief Executive Officer
May 9, 2006

Exhibit 32.2

Statement of Chief Financial Officer of
MOHAWK INDUSTRIES, INC.
Pursuant to 18 U.S.C. Section 1350,
As Adopted Pursuant to
§ 906 of the Sarbanes-Oxley Act of 2002

In connection with the quarterly report of Mohawk Industries, Inc. (the "Company") on Form 10-Q for the period ended April 1, 2006 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Frank H. Boykin, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, based on my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/: Frank H. Boykin
Frank H. Boykin
Chief Financial Officer
May 9, 2006