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

FORM 10-Q

[Mark One]

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 29, 2008

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
01-13697

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

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

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒	Accelerated filer ☐
Non-accelerated filer ☐ (Do not check if a smaller reporting company)	Smaller reporting company ☐

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

The number of shares outstanding of the issuer's classes of common stock as of April 28, 2008, the latest practicable date, is as follows: 68,402,467 shares of Common Stock, $.01 par value.

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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)

	March 29, 2008	December 31, 2007
Current assets:		
Cash and cash equivalents	$ 73,289	89,604
Receivables, net	955,325	821,113
Inventories	1,296,424	1,276,568
Prepaid expenses and other assets	135,429	123,395
Deferred income taxes	135,407	139,040
Total current assets	2,595,874	2,449,720
Property, plant and equipment, at cost	3,407,925	3,313,635
Less accumulated depreciation and amortization	1,381,867	1,337,914
Net property, plant and equipment	2,026,058	1,975,721
Goodwill	2,877,671	2,797,339
Tradenames	739,175	707,086
Other intangible assets, net	472,337	464,783
Deferred income taxes and other assets	306,304	285,401
	$ 9,017,419	8,680,050

See accompanying notes to condensed consolidated financial statements.

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MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
LIABILITIES AND STOCKHOLDERS' EQUITY
(In thousands, except per share data)
(Unaudited)

	March 29, 2008	December 31, 2007
Current liabilities:		
Current portion of long-term debt	$ 367,785	260,439
Accounts payable and accrued expenses	932,856	951,061
Total current liabilities	1,300,641	1,211,500
Deferred income taxes	639,209	614,619
Long-term debt, less current portion	2,003,013	2,021,395
Other long-term liabilities	125,576	125,179
Total liabilities	4,068,439	3,972,693
Stockholders' equity:		
Preferred stock, $.01 par value; 60 shares authorized; no shares issued	—	—
Common stock, $.01 par value; 150,000 shares authorized; 79,433 and 79,404 shares issued in 2008 and 2007, respectively	794	794
Additional paid-in capital	1,207,219	1,203,957
Retained earnings	3,527,733	3,462,343
Accumulated other comprehensive income, net	536,779	363,981
	5,272,525	5,031,075
Less treasury stock at cost; 11,040 and 11,046 shares in 2008 and 2007, respectively	323,545	323,718
Total stockholders' equity	4,948,980	4,707,357
	$ 9,017,419	8,680,050

See accompanying notes to condensed consolidated financial statements.

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MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF EARNINGS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended	
	March 29, 2008	March 31, 2007
Net sales	$ 1,738,097	1,863,863
Cost of sales	1,278,258	1,340,423
Gross profit	459,839	523,440
Selling, general and administrative expenses	335,521	352,863
Operating income	124,318	170,577
Other expense (income):		
Interest expense	33,767	41,579
Other expense	6,446	5,414
Other income	(3,667)	(1,187)
U.S. Customs refund, net	—	(9,122)
	36,546	36,684
Earnings before income taxes	87,772	133,893
Income taxes	22,382	43,515
Net earnings	$ 65,390	90,378
Basic earnings per share	$ 0.96	1.33
Weighted-average common shares outstanding	68,375	67,906
Diluted earnings per share	$ 0.95	1.32
Weighted-average common and dilutive potential common shares outstanding	68,579	68,255

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	
	March 29, 2008	March 31, 2007
Cash flows from operating activities:		
Net earnings	$ 65,390	90,378
Adjustments to reconcile net earnings to net cash provided by (used in) operating activities:		
Depreciation and amortization	73,256	73,846
Deferred income taxes	2,618	(5,228)
Loss (gain) on disposal and impairment of property, plant and equipment	(671)	179
Excess tax benefit from stock-based compensation	(138)	(3,579)
Stock based compensation expense	2,545	4,391
Changes in operating assets and liabilities, net of effects of acquisition:		
Receivables	(121,704)	(66,761)
Inventories	(11,017)	(18,100)
Accounts payable and accrued expenses	(69,767)	16,191
Other assets and prepaid expenses	(14,900)	(5,781)
Other liabilities	(5,791)	3,231
Net cash (used in) provided by operating activities	(80,179)	88,767
Cash flows from investing activities:		
Additions to property, plant and equipment, net	(55,971)	(24,956)
Net cash used in investing activitities	(55,971)	(24,956)
Cash flows from financing activities:		
Payments on revolving line of credit	(303,181)	(370,213)
Proceeds from revolving line of credit	300,684	346,702
Net change in asset securitization borrowings	80,000	(60,000)
Payments on term loan and other debt	(147)	(82)
Excess tax benefit from stock-based compensation	138	3,579
Change in outstanding checks in excess of cash	40,660	(9,298)
Proceeds from stock option exercises	854	14,433
Net cash provided by (used in) financing activities	119,008	(74,879)
Effect of exchange rate changes on cash and cash equivalents	827	1,174
Net change in cash	(16,315)	(9,894)
Cash, beginning of period	89,604	63,492
Cash, end of period	$ 73,289	53,598

See accompanying notes to condensed consolidated financial statements.

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
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 2007 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission.

2. New Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, *"Fair Value Measurements"* ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and requires enhanced disclosures about fair value measurements. SFAS No. 157 requires companies to disclose the fair value of its financial instruments according to a fair value hierarchy. Additionally, companies are required to provide certain disclosures regarding instruments within the hierarchy, including a reconciliation of the beginning and ending balances for each major category of assets and liabilities. SFAS No. 157 is effective for the Company's fiscal year beginning January 1, 2008 for financial assets and liabilities and January 1, 2009 for non-financial assets and liabilities. The adoption of SFAS No. 157 for financial assets and liabilities on January 1, 2008 did not have a material impact on the Company's consolidated financial statements. The Company is currently evaluating the impact of SFAS No. 157 for non-financial assets and liabilities, if any, on its consolidated financial statements.

In September 2006, the FASB issued SFAS No. 158 ("SFAS No. 158"), "*Employers' Accounting for Defined Benefit Pension and Other Post Retirement Plans- an amendment of FASB Statements No. 87, 88, 106 and 132(R*)." The Company adopted all provisions of SFAS No. 158 as of December 31, 2006, except for the measurement date provisions, which are effective for fiscal years ending after December 15, 2008. The Company adopted SFAS No. 158 on January 1, 2008 and the adoption did not have any impact on its consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, "*The Fair Value Option for Financial Assets and Financial Liabilities-including an amendment of FASB Statement No. 115"* ("SFAS No. 159"). SFAS No. 159 expands the use of fair value accounting but does not affect existing standards which require assets or liabilities to be carried at fair value. The objective of SFAS No. 159 is to improve financial reporting by providing companies with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. Under SFAS No. 159, a company may elect to use fair value to measure eligible items at a specified election date and report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. Eligible items include, but are not limited to, accounts and loans receivable, available-for-sale and held-to-maturity securities, equity method investments, accounts payable, guarantees, issued debt and firm commitments. The Company adopted SFAS No. 159 effective January 1, 2008, but did not elect to fair value any of the eligible assets or liabilities. Therefore, the adoption did not have any impact on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *"Business Combinations"* ("SFAS 141R"). SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141R is effective for fiscal

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

years beginning after December 15, 2008. Once adopted, SFAS 141R will impact the recognition and measurement of future business combinations.

In December 2007, the FASB issued SFAS No. 160, *"Noncontrolling Interests in Consolidated Financial Statements—an amendment of Accounting Research Bulletin No. 51"* ("SFAS No. 160"). SFAS No. 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest, and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS No. 160 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008. The Company is currently evaluating the potential impact, if any, of the adoption of SFAS No. 160 on its consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *"Disclosures about Derivative Instruments and Hedging Activities"* ("SFAS No. 161"). SFAS No. 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. The provisions of SFAS No. 161 are effective for the first quarter of 2009. The Company is currently evaluating the impact of the provisions of SFAS No. 161 on its consolidated financial statements.

3. Receivables

Receivables are as follows:

	March 29, 2008	December 31, 2007
Customers, trade	$ 996,399	845,446
Other	22,823	31,977
	1,019,222	877,423
Less allowance for discounts, returns, claims and doubtful accounts	63,897	56,310
Net receivables	$ 955,325	821,113

4. Inventories

The components of inventories are as follows:

	March 29, 2008	December 31, 2007
Finished goods	$ 795,326	804,408
Work in process	115,650	100,582
Raw materials	385,448	371,578
Total inventories	$ 1,296,424	1,276,568

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

5. Intangible assets and goodwill

The components of goodwill and other intangible assets are as follows:

Goodwill:

	Mohawk	Dal-Tile	Unilin	Total
Balance as of January 1, 2008	$ 199,132	1,186,013	1,412,194	2,797,339
Goodwill recognized during the period (1)	—	—	586	586
Currency translation during the period	—	—	79,746	79,746
Balance as of March 29, 2008	$ 199,132	1,186,013	1,492,526	2,877,671

(1) The Company adjusted certain pre-acquisition tax liabilities in the Unilin segment.

Intangible assets:

	Tradenames
Indefinite life assets not subject to amortization:	
Balance as of January 1, 2008	$ 707,086
Currency translation during the period	32,089
Balance as of March 29, 2008	$ 739,175

	Customer relationships	Patents	Total
Intangible assets subject to amortization:			
Balance as of January 1, 2008	$ 256,092	208,691	464,783
Amortization during period	(12,186)	(7,293)	(19,479)
Currency translation during the period	12,066	14,967	27,033
Balance as of March 29, 2008	$ 255,972	216,365	472,337

Amortization for the three month period ended:

	March 29, 2008	March 31, 2007
Amortization expense	$ 19,479	22,698

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

6. Accounts payable and accrued expenses

	March 29, 2008	December 31, 2007
Outstanding checks in excess of cash	$ 65,279	24,619
Accounts payable, trade	369,640	399,141
Accrued expenses	292,808	321,547
Income taxes payable	44,220	42,090
Deferred tax liability	5,143	11,890
Accrued compensation	155,766	151,774
Total accounts payable and accrued expenses	$ 932,856	951,061

7. Product Warranties

The Company warrants certain qualitative attributes of its products for up to 33 years. The Company records a provision for estimated warranty and related costs, based on historical experience and periodically adjusts these provisions to reflect actual experience. The warranty obligation is as follows:

	Three Months Ended	
	March 29, 2008	March 31, 2007
Balance at beginning of period	$ 46,187	30,712
Warranty claims paid	(18,764)	(15,812)
Warranty expense	13,184	15,122
Balance at end of period	$ 40,607	30,022

8. Comprehensive income

Comprehensive income is as follows:

	Three Months Ended	
	March 29, 2008	March 31, 2007
Net earnings	$ 65,390	90,378
Other comprehensive income:		
Foreign currency translation	172,361	22,586
Unrealized gain on derivative instruments, net of income taxes	437	1,590
Comprehensive income	$ 238,188	114,554

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

9. Stock compensation

The Company accounts for its stock-based compensation plans in accordance with SFAS No. 123R ("SFAS No. 123R"), *"Share-Based Payment."* Under SFAS No. 123R, all stock based compensation cost is measured at the grant date, based on the estimated fair value of the award, and is recognized as an expense in the statement of earnings over the requisite service period.

Under the Company's 2007 Incentive Plan ("2007 Plan"), the Company reserved up to a maximum of 3,200 shares of common stock for issuance upon the grant or exercise of stock options, restricted stock, restricted stock units ("RSU's") and other types of awards, as defined under the 2007 Plan. 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 and generally vest between three and five years with a 10-year contractual term. Restricted stock and RSU's are generally granted with a price equal to the market price of the Company's common stock on the date of the grant and generally vest between three and five years.

The Company granted 146 and 64 options to employees at a weighted-average grant-date fair value of $20.26 and $33.68 per share for the three months ended March 29, 2008 and March 31, 2007, respectively. The Company recognized stock based compensation costs related to stock options of $1,579 ($1,000 net of taxes) and $2,439 ($1,545 net of taxes) for the three months ended March 29, 2008 and March 31, 2007, respectively, which has been allocated to selling, general and administrative expenses. Pre-tax unrecognized compensation expense for stock options granted to employees and outside directors, net of estimated forfeitures, was $12,483 as of March 29, 2008, and will be recognized as expense over a weighted-average period of approximately 2.7 years.

The fair value of the option award is estimated on the date of grant using the Black-Scholes-Merton valuation model. Expected volatility is based on the historical volatility of the Company's common stock. The Company uses historical data to estimate option exercise and forfeiture rates within the valuation model.

The Company granted 62 and 142 RSU's at a weighted-average grant-date fair value of $74.41 and $93.65 per unit for the three months ended March 29, 2008 and March 31, 2007, respectively. The Company recognized stock based compensation costs related to the issuance of RSU's of $890 ($564 net of taxes) and $1,952 ($1,240 net of taxes) for the three months ended March 29, 2008 and March 31, 2007, respectively, which has been allocated to selling, general and administrative expenses. Pre-tax unrecognized compensation expense for unvested RSU's granted to employees, net of estimated forfeitures, was $10,558 as of March 29, 2008, and will be recognized as expense over a weighted-average period of approximately 3.0 years. No restricted stock awards were granted for the three months ended March 29, 2008. Restricted stock awards granted and the related compensation expense was not significant for the three months ended March 31, 2007.

10. Earnings per share

The Company applies the provisions of SFAS No. 128, "*Earnings per Share*," which requires companies to present basic earnings per share ("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 and RSU's are included in the diluted EPS calculation using the treasury stock method. Excluded from the computation of diluted EPS are stock options and RSU's of 1,252 and 1,035 shares because their effect would have been anti-dilutive for the three month period ended March 29, 2008 and March 31, 2007, respectively.

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

	Three Months Ended	
	March 29, 2008	March 31, 2007
Net earnings	$ 65,390	90,378
Weighted-average common and dilutive potential common shares outstanding:		
Weighted-average common shares outstanding	68,375	67,906
Add weighted-average dilutive potential common shares – options and RSU's to purchase common shares, net	204	349
Weighted-average common and dilutive potential common shares outstanding	68,579	68,255
Basic earnings per share	$ 0.96	1.33
Diluted earnings per share	$ 0.95	1.32

11. Supplemental Condensed Consolidated Statements of Cash Flows Information

	Three Months Ended	
	March 29, 2008	March 31, 2007
Net cash paid during the period for:		
Interest	$ 47,621	50,650
Income taxes	$ 28,808	53,282

12. Segment reporting

The Company has three reporting segments, the Mohawk segment, the Dal-Tile segment and the Unilin segment. The Mohawk segment manufactures, markets and distributes its product lines primarily in North America, which include carpet, rugs, pad, ceramic tile, hardwood, resilient and laminate, through its network of regional distribution centers and satellite warehouses using company-operated trucks, common carrier or rail transportation. The segment product lines are sold through various selling channels, which include floor covering retailers, home centers, mass merchandisers, department stores, independent distributors, commercial dealers and commercial end users. The Dal-Tile segment manufactures, markets and distributes its product lines primarily in North America, which include ceramic tile, porcelain tile and stone products, through its network of regional distribution centers and approximately 250 company-operated sales service centers using Company operated trucks, common carriers or rail transportation. The segment product lines are purchased by floor covering retailers, home centers, independent distributors, tile specialty dealers, tile contractors, and commercial end users. The Unilin segment manufactures, markets and distributes its product lines primarily in North America and Europe, which include laminate flooring, wood flooring, medium-density fiberboard, roofing systems and other wood products through various selling channels, which include independent retailers, home centers, independent distributors, contractors, and commercial users.

The accounting policies for each operating segment are consistent with the Company's policies for the consolidated financial statements. 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.

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

Segment information is as follows:

	Three Months Ended	
	March 29, 2008	March 31, 2007
Net sales:		
Mohawk	$ 905,044	1,047,661
Dal-Tile	449,051	466,961
Unilin	403,755	352,096
Intersegment Sales	(19,753)	(2,855)
	$ 1,738,097	1,863,863
Operating income:		
Mohawk	$ 22,241	48,445
Dal-Tile	56,941	64,395
Unilin	49,956	60,499
Corporate and Eliminations	(4,820)	(2,762)
	$ 124,318	170,577

	As of	
	March 29, 2008	December 31, 2007
Assets:		
Mohawk	$ 2,410,031	2,302,527
Dal-Tile	2,257,190	2,259,811
Unilin	4,162,172	3,916,739
Corporate and Eliminations	188,026	200,973
	$ 9,017,419	8,680,050

13. Employee Benefit Plans

The Company has various pension plans covering employees in Belgium, France and the Netherlands (the “Non-U.S. Plans”) that it acquired with the acquisition of Unilin Holding NV in October 2005. Benefits under the Non-U.S. Plans depend on compensation and years of service. The Non-U.S. Plans are funded in accordance with local regulations.

Pension expense for the Non-U.S. Plans includes the following components:

	Non-U.S. Plans	
	Three months ended	
	March 29, 2008	March 31, 2007
Service cost of benefits earned	$ 494	449
Interest cost on projected benefit obligation	297	217
Estimated return on plan assets	(228)	(174)
Amortization of actuarial net gain	(7)	—
Net pension expense	$ 556	492

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(In thousands, except per share amounts)
(Unaudited)

The Company contributed $543 to its Non-U.S. Plans in the first quarter of 2008 and expects to make cash contributions of approximately $1,600 during the remainder of 2008.

14. 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 by the Company to be contemplated to which the Company is a party or to which any of its property is subject.

In Shirley Williams et al. v. Mohawk Industries, Inc., four plaintiffs filed a putative 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 authorized to work in the United States, have damaged them and the other members of the putative 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 District Court in April 2004. Following appellate review of this decision, the case was returned to the District Court for further proceedings. On December 18, 2007, the plaintiffs filed a motion for class certification and on March 3, 2008, the District Court denied the plaintiffs motion for class certification. The plaintiffs then appealed the decision to the United States Court of Appeals for the 11th Circuit on March 17, 2008. Discovery has been stayed at the District Court while the appeal is pending. The Company will continue to vigorously defend itself against this action.

In an internal review, the Company discovered that it had exchanged employee compensation information with its competitors while gathering market data. The Company discontinued this activity and voluntarily disclosed the practice to the Department of Justice. No claim has been asserted.

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

The Company has received partial refunds from the United States government in reference to settling custom disputes dating back to 1982. To date, the Company has received partial refunds totaling $28,590 ($18,087 net of taxes). No refunds were recorded during the three months ended March 29, 2008. For the three months ended March 29, 2007, the Company recorded refunds of $9,122 ($5,792 net of taxes). Additional future recoveries will be recorded when realized.

15. Fair Value of Financial Instruments

As noted above in Note 2, the Company has only adopted the provisions of SFAS No. 157 with respect to its financial assets and liabilities that are measured at fair value within the condensed consolidated financial statements. For assets and liabilities measured at fair value on a recurring basis during the period under the provisions of SFAS No. 157, the Company uses an income approach to value the assets and liabilities for outstanding derivative contracts, which include natural gas futures contracts and foreign exchange forward contracts. These contracts are valued using an income approach, which consists of a discounted cash flow model that takes into account the present value of future cash flows under the terms of the contracts using current market information as of the reporting date such as natural gas and foreign exchange spot and forward rates.

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

The following table provides a summary of the fair values of assets and liabilities under SFAS No. 157:

		Fair Value Measurements at March 29, 2008 Using		
	March 29, 2008	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Derivatives	$ 563	—	563	—

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 U.S. and Europe with net sales in 2007 of $7.6 billion. The Company is the second largest carpet and rug manufacturer, a leading manufacturer, marketer and distributor of ceramic tile, natural stone and hardwood flooring in the U.S. and a leading producer of laminate flooring in the U.S. and Europe.

The Company has three reporting segments, the Mohawk segment, the Dal-Tile segment and the Unilin segment. The Mohawk segment manufactures, markets and distributes its product lines primarily in North America, which include carpet, rugs, pad, ceramic tile, hardwood, resilient and laminate, through its network of regional distribution centers and satellite warehouses using company-operated trucks, common carrier or rail transportation. The segment product lines are sold through various selling channels, which include floor covering retailers, home centers, mass merchandisers, department stores, independent distributors, commercial dealers and commercial end users. The Dal-Tile segment manufactures, markets and distributes its product lines primarily in North America, which include ceramic tile, porcelain tile and stone products, through its network of regional distribution centers and approximately 250 company-operated sales service centers using Company operated trucks, common carriers or rail transportation. The segment product lines are purchased by floor covering retailers, home centers, independent distributors, tile specialty dealers, tile contractors, and commercial end users. The Unilin segment manufactures, markets and distributes its product lines primarily in North America and Europe, which include laminate flooring, wood flooring, medium-density fiberboard, roofing systems and other wood products through various selling channels, which include independent retailers, home centers, independent distributors, contractors, and commercial users.

The Company reported net earnings of $65.4 million or diluted earnings per share ("EPS") of $0.95, down for the first quarter of 2008 compared to net earnings of $90.4 million or $1.32 EPS for the first quarter of 2007. The decrease in EPS resulted primarily from lower sales demand in the Company's U.S. residential new construction and replacement channels, which the Company believes is primarily attributable to the slowing U.S. housing industry caused by tightening credit, declining consumer confidence, and increasing costs. In addition, the decrease in EPS was impacted by higher raw material costs and a slowing European flooring market, offset by growth in the U.S. commercial channel.

Results of Operations

Quarter Ended March 29, 2008, as Compared with Quarter Ended March 31, 2007

Net sales for the quarter ended March 29, 2008 were $1,738.1 million, reflecting a decrease of $125.8 million, or approximately 6.7%, from the $1,863.9 million reported for the quarter ended March 31, 2007. The decrease occurred in the Company's U.S. residential new construction and replacement channels, which the Company believes has been impacted by the slowing U.S. housing industry, partially offset by favorable exchange rates and the wood flooring acquisition completed in the third quarter of 2007. The Mohawk segment recorded net sales of $905.0 million in the current quarter compared to $1,047.7 million in the first quarter of 2007, representing a decrease of $142.7 million, or approximately 13.6%. The decrease arose from lower demand in its residential new construction and replacement channels, which the Company believes was impacted by the slowing U.S. housing industry. The Dal-Tile segment recorded net sales of $449.1 million in the current quarter, representing a decrease of $17.9 million, or approximately 3.8%, compared to $467.0 million reported in the first quarter of 2007. The decrease occurred in its residential sales channel, which the Company believes has been impacted by the slowing U.S. housing industry, partially offset by growth in the commercial channel. The Unilin segment recorded net sales of $403.8 million in the current quarter compared to $352.1 million in the first quarter of 2007, representing an increase of $51.7 million, or approximately 14.7%. Approximately $38 million of the increase related to the wood flooring acquisition completed during the third quarter of 2007 with the remainder of the increase primarily related to favorable exchange rates. Lower sales due to the impact of the slowing U.S. housing industry and its impact on the European market offset these increases.

Gross profit for the first quarter of 2008 was $459.8 million (26.5% of net sales) and represented a decrease of $63.6 million from gross profit of $523.4 million (28.1% of net sales) for the prior year's first quarter. Gross profit as a percentage of net sales in the current quarter was unfavorably impacted by lower production volume in the U.S and higher raw material and energy costs.

Selling, general and administrative expenses for the first quarter of 2008 were $335.5 million (19.3% of net sales), reflecting a decrease of $17.4 million, or approximately 4.9%, compared to $352.9 million (18.9% of net sales) for the prior year's first quarter. The increase in the selling, general and administrative expenses as a percentage of net sales was primarily attributable to lower sales in proportion to selling, general and administrative expenses.

Operating income for the first quarter of 2008 was $124.3 million (7.2% of net sales) compared to $170.6 million (9.2% of net sales) in the first quarter of 2007. Operating income as a percentage of net sales in the current quarter was unfavorably impacted by lower sales volume, which the Company believes is primarily attributable to the slowing U.S. housing industry and higher raw material and energy costs. Operating income in the Mohawk segment was $22.2 million (2.5% of segment net sales) in the first quarter of 2008 compared to $48.4 million (4.6% of segment net sales) in the first quarter of 2007. Declining operating income as a percentage of net sales in the current quarter occurred in its residential new construction and replacement channels, which the Company believes is primarily attributable to the slowing U.S. housing industry, higher raw material and energy costs and increased manufacturing costs resulting from lower production volume. In the Dal-Tile segment, operating income was $56.9 million (12.7% of segment net sales) in the first quarter of 2008 compared to $64.4 million (13.8% of segment net sales) for the first quarter of 2007. Operating income as a percentage of net sales was unfavorably impacted by its residential channel, which the Company believes is primarily attributable to the slowing U.S. housing industry and higher transportation costs. Operating income in the Unilin segment was $50.0 million (12.4% of segment net sales) in the first quarter of 2008 compared to $60.5 million (17.2% of segment net sales) for the first quarter of 2007. Operating income as a percentage of net sales was unfavorably impacted by the wood flooring acquisition completed during the third quarter of 2007 and higher raw material costs.

Interest expense for the first quarter of 2008 was $33.8 million compared to $41.6 million in the first quarter of 2007. The decrease in interest expense was directly related to lower average debt levels in the current quarter when compared to the first quarter of 2007.

Income tax expense was $22.4 million, or 25.5% of earnings before income taxes for the first quarter of 2008 compared to $43.5 million, or 32.5% of earnings before income taxes for the prior year's first quarter. The decrease in the tax rate is principally due to a greater percentage of income in lower taxed jurisdictions and changes implemented in the third and fourth quarters of 2007, which resulted in higher interest deductions outside the U.S.

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 used in operations for the first three months of 2008 were $80.2 million compared to cash flows provided by operations of $88.8 million for the first three months of 2007. The decrease in operating cash flows for the first three months of 2008 as compared to the first three months of 2007 is primarily attributable to receivables being impacted by a calendar shift between the fourth quarter of 2007 and the current quarter, a shift in the timing of seasonal trade shows and product roll-outs, and lower payables due to the transition of externally sourced products to Company manufactured products.

Net cash used in investing activities for the first three months of 2008 was $56.0 million compared to $25.0 million for the first three months of 2007. The increase is due to the timing of additional plant capital spending during 2008 as compared to 2007. Capital spending during the remainder of 2008 for the Mohawk, Dal-Tile and Unilin segments combined, excluding acquisitions, is expected to range from $155 million to $180 million, and will be used primarily to purchase equipment and to add manufacturing capacity.

Net cash provided by financing activities for the first three months of 2008 was $119.0 million compared to net cash used in financing activities of $74.9 million for the same period in 2007. The primary reason for the change was an increase in working capital compared to the first three months of 2007.

At March 29, 2008, a total of approximately $448.9 million was available under the Company's revolving credit facility. The amount used under the revolving credit facility at March 29, 2008 was $301.1 million. The amount used under the revolving credit facility is composed of $196.9 million of borrowings, $55.6 million of standby letters of credit guaranteeing the Company's industrial revenue bonds and $48.6 million of standby letters of credit related to various insurance contracts and foreign vendor commitments.

The Company has an on-balance sheet trade accounts receivable securitization agreement ("Securitization Facility"). The Securitization Facility allows the Company to borrow up to $350.0 million based on available accounts receivable. At March 29, 2008, the Company had approximately $270 million outstanding secured by trade receivables. On July 28, 2007, the Company extended the term of the Securitization Facility until July 2008.

Contractual Obligations

There have been no significant changes to the Company's contractual obligations as disclosed in the Company's 2007 Annual Report filed on Form 10-K.

Critical Accounting Policies and Estimates

There have been 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 its 2007 Annual Report filed on Form 10-K.

Recent Accounting Pronouncements

In September 2006, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 157, *"Fair Value Measurements"* ("SFAS No. 157"). SFAS No. 157 defines fair value, establishes a framework for measuring fair value and requires enhanced disclosures about fair value measurements. SFAS No. 157 requires companies to disclose the fair value of its financial instruments according to a fair value hierarchy. Additionally, companies are required to provide certain disclosures regarding instruments within the hierarchy, including a reconciliation of the beginning and ending balances for each major category of assets and liabilities. SFAS No. 157 is effective for the Company's fiscal year beginning January 1, 2008 for financial assets and liabilities and January 1, 2009 for non-financial assets and liabilities. The adoption of SFAS No. 157 for financial assets and liabilities on January 1, 2008 did not have a material impact on the Company's consolidated financial statements. The Company is currently evaluating the impact of SFAS No. 157 for non-financial assets and liabilities, if any, on its consolidated financial statements.

In September 2006, the FASB issued SFAS No. 158 ("SFAS No. 158"), "*Employers' Accounting for Defined Benefit Pension and Other Post Retirement Plans- an amendment of FASB Statements No. 87, 88, 106 and 132(R*)." The Company adopted all provisions of SFAS No. 158 as of December 31, 2006, except for the measurement date provisions, which are effective for fiscal years ending after December 15, 2008. The Company adopted SFAS No. 158 on January 1, 2008 and the adoption did not have any impact on its consolidated financial statements.

In February 2007, the FASB issued SFAS No. 159, "*The Fair Value Option for Financial Assets and Financial Liabilities-including an amendment of FASB Statement No. 115"* ("SFAS No. 159"). SFAS No. 159 expands the use of fair value accounting but does not affect existing standards which require assets or liabilities to be carried at fair value. The objective of SFAS No. 159 is to improve financial reporting by providing companies with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. Under SFAS No. 159, a company may elect to use fair value to measure eligible items at a specified election date and report unrealized gains and losses on items for which the fair value option has been elected in earnings at each subsequent reporting date. Eligible items include, but are not limited to, accounts and loans receivable, available-for-sale and held-to-maturity securities, equity method investments, accounts payable, guarantees, issued debt and firm commitments. The Company adopted SFAS No. 159 effective January 1, 2008, but did not elect to fair value any of the eligible assets or liabilities. Therefore, the adoption did not have any impact on its consolidated financial statements.

In December 2007, the FASB issued SFAS No. 141 (revised 2007), *"Business Combinations"* ("SFAS 141R"). SFAS 141R establishes principles and requirements for how an acquirer recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, any noncontrolling interest in the acquiree and the goodwill acquired. SFAS 141R also establishes disclosure requirements to enable the evaluation of the nature and financial effects of the business combination. SFAS 141R is effective for fiscal years beginning after December 15, 2008. Once adopted, SFAS 141R will impact the recognition and measurement of future business combinations.

In December 2007, the FASB issued SFAS No. 160, *"Noncontrolling Interests in Consolidated Financial Statements—an amendment of Accounting Research Bulletin No. 51"* ("SFAS No. 160"). SFAS No. 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, the amount of consolidated net income attributable to the parent and to the noncontrolling interest, changes in a parent's ownership interest, and the valuation of retained noncontrolling equity investments when a subsidiary is deconsolidated. SFAS No. 160 also establishes disclosure requirements that clearly identify and distinguish between the interests of the parent and the interests of the noncontrolling owners. SFAS No. 160 is effective for fiscal years beginning after December 15, 2008. The Company is currently evaluating the potential impact, if any, of the adoption of SFAS No. 160 on its consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, *"Disclosures about Derivative Instruments and Hedging Activities"* ("SFAS No. 161"). SFAS No. 161 is intended to improve financial reporting about derivative instruments and hedging activities by requiring enhanced disclosures to enable investors to better understand their effects on an entity's financial position, financial performance, and cash flows. The provisions of SFAS No. 161 are effective for the first quarter of 2009. The Company is currently evaluating the impact of the provisions of SFAS No. 161 on its consolidated financial statements.

Impact of Inflation

Inflation affects the Company's manufacturing costs, distribution costs and operating expenses. The carpet and tile industry have experienced significant inflation in the prices of raw materials and fuel-related costs beginning in the first quarter of 2004, predominately related to the oil-based materials it purchases. The laminate industry has experienced moderate inflation in the prices of raw material since the beginning of 2006. For the period from 1999 through the beginning of 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, 2007.

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 by the Company to be contemplated to which the Company is a party or to which any of its property is subject.

In Shirley Williams et al. v. Mohawk Industries, Inc., four plaintiffs filed a putative 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 authorized to work in the United States, have damaged them and the other members of the putative 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 District Court in April 2004. Following appellate review of this decision, the case was returned to the District Court for further proceedings. On December 18, 2007, the plaintiffs filed a motion for class certification and on March 3, 2008, the District Court denied the plaintiffs motion for class certification. The plaintiffs then appealed the decision to the United States Court of Appeals for the 11th Circuit on March 17, 2008. Discovery has been stayed at the District Court while the appeal is pending. The Company will continue to vigorously defend itself against this action.

In an internal review, the Company discovered that it had exchanged employee compensation information with its competitors while gathering market data. The Company discontinued this activity and voluntarily disclosed the practice to the Department of Justice. No claim has been asserted.

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

Item 1A. Risk Factors

There have been no significant changes to the Company's risk factors as disclosed in the Company's 2007 Annual Report filed on Form 10-K.

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

None.

Item 3. Defaults Upon Senior Securities

None.

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

None

Item 5. Other Information

The information set forth under this Item 5 is furnished in lieu of disclosure on Form 8-K under Item 5.02.

On May 1, 2008, Mohawk Industries, Inc. (the "Company") amended its employment agreement with W. Christopher Wellborn, the Company's Chief Operating Officer, which was previously set to expire on December 31, 2008. Pursuant to the terms of the amended and restated employment agreement (the "Employment Agreement"), Mr. Wellborn will receive a base salary of $800,000 per year. The base salary is subject to periodic review by the Company and may be adjusted, based on the Company's performance, the individual's performance, market conditions or such other factors as are deemed relevant by the Company, provided, however, that it may not be adjusted below the current level. Mr. Wellborn is also eligible to receive customary benefits and earn an annual bonus of up to 135% of the base salary based on the achievement of goals established under the Company's bonus plan. In addition, Mr. Wellborn will be eligible to participate in the Company's 2007 Long Term Incentive Plan. The Employment Agreement expires on December 31, 2018.

In the event that Mr. Wellborn is terminated without "cause" or resigns for "good reason," Mr. Wellborn will be entitled to (i) accrued base salary through the date of termination, (ii) the continuation of his base salary for a two year period following the termination, (iii) continued participation in employee benefit plans for a two year period following the termination, and (iv) two times the greater of (a) Mr. Wellborn's target annual bonus for the year in which the termination occurs, (b) 90% of the base salary for the year in which the termination occurs, or (c) the annual bonus for the fiscal year preceding the fiscal year in which the termination occurs, which will be payable 50% at the end of the fiscal year in which the termination occurs and 50% on the one year anniversary of the first payment. In addition, Mr. Wellborn's stock options, restricted stock units and other forms of Company stock-based awards will immediately vest and such options will become fully exercisable if Mr. Wellborn is terminated without "cause" or resigns for "good reason." In the event of a change of control of the Company in which the successor does not assume the obligations under the Employment Agreement, Mr. Wellborn will be entitled to the payments and benefits as if he had resigned for "good reason." Further, under the terms of the Employment Agreement, Mr. Wellborn is prohibited from competing with the Company or soliciting employees of the Company for five years following his separation from the Company.

A copy of the Employment Agreement is filed as Exhibit 10.1 to this Form 10-Q and is incorporated herein by reference.

Item 6. Exhibits

No.	Description
10.1	Amended and Restated Employment Agreement, dated as of May 1, 2008, by and between the Company 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.

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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.
(Registrant)

Dated: May 1, 2008

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

Dated: May 1, 2008

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

Exhibit 10.1

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

This AMENDED AND RESTATED EMPLOYMENT AGREEMENT (the “Agreement”) dated as of May 1, 2008 (the “Effective Date”), by and between Mohawk Industries, Inc., (the “Company”) and W. Christopher Wellborn (the “Executive”).

The Company and Executive were previously parties to an EMPLOYMENT AGREEMENT dated November 15, 2005 and both desire to amend and restate the terms of that EMPLOYMENT AGREEMENT in this Agreement.

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 shall commence on the Effective Date and shall continue through and expire on December 31, 2018 unless earlier separation from service occurs as herein provided (the “Term”).

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 vacation 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 resign as a director of the Company and all affiliates and subsidiaries of the Company upon his separation from service with the Company.

3. Compensation and Other Benefits.

3.1 Salary. As compensation for all services to be rendered by the Executive during the Term, the Company shall pay to the Executive a salary of $800,000 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.

3.2 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. As of the Effective Date, the Annual Bonus for 2008 shall be based on (i) 36% 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 90% 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 135% 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. The Compensation Committee of the Board and the Board shall have the right to adjust, modify or amend the annual bonus program in its discretion. The term "Annual Bonus" shall not include any special bonuses or payments or any bonuses or payments made that were outside of or otherwise not within the terms of the Plan.

3.3 Stock Based Awards. Executive has received and, in the future, shall be eligible to receive grants of Company stock options, restricted stock units and other forms of Company stock-based awards (collectively "Stock Awards") as determined by the Compensation Committee of the Board in a manner comparable to the method applied to similar Company executives. In addition to other terms and conditions of such Stock Awards, all outstanding Stock Awards shall vest upon a "change in control" of the Company (as defined in applicable incentive plans).

3.4 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 of 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.

3.5 Vacation. The Executive shall be entitled to vacation based on the Company vacation policy, but in any event not less than three (3) weeks vacation per annum. Upon Executive's completion of fifteen (15) years of service with the Company or its subsidiaries, he shall become entitled to four (4) weeks of vacation per annum.

4. Covenants by Executive. In order to induce the Company to enter this Agreement, the Executive hereby agrees as follows:

4.1 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 4.1(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 first anniversary of the Executive's separation from the Company, Confidential Information shall not include any information that does not constitute a Trade Secret.

4.2 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 five 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 a capacity requiring high-level management expertise with respect to any aspect of the manufacture or distribution of commercial or residential floor covering (the "Competitive Capacity"). In order to protect the Company's goodwill, Trade Secrets and Confidential Information (and in recognition of the extension of the stock option exercise period as set forth in Section 5), the Executive agrees that during his employment and for a period of five years after separation from the Company, (i) he will not work or consult in any Competitive Capacity within the United States for a Competitor of the Company or any of its subsidiaries and (ii) he will not, directly or indirectly, individually or in association with others, solicit for employment or as a consultant any employee of the Company or its subsidiaries without the written approval of the Company.

4.3 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.

4.4 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.

4.5 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.

4.6 Survival of Obligations. The Executive's obligations under this Section 4 shall survive the Term of this Agreement and the Executive's employment with the Company.

5. Separation from Service.

5.1 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 for the year during which Executive dies, as set forth in Section3.2 computed on a pro rata basis (the Annual Salary portion to be paid as promptly as practicable but no later than 10 days after the date of Executive's death, and the pro-rata Annual Bonus portion to be paid promptly after determination of the Annual Bonus at the end of such year by the Compensation Committee or the Board), 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. Upon the executive's death during his continuous employment, all of his outstanding Stock Awards shall vest and, in the case of stock options, be fully exercisable to his named beneficiary for the shorter of a five year period following separation of service or the remaining term of the applicable stock option ("Exercise Period").

5.2 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 3.2 computed on a pro rata basis (the Annual Salary portion to be paid as promptly as practicable but no later than 10 days after the Executive's separation from service, and the pro-rata Annual Bonus portion to be paid promptly after determination of the Annual Bonus at the end of such year by the Compensation Committee or the Board), 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. Upon the executive's disability during his continuous employment, all of his outstanding Stock Awards shall vest and, in the case of stock options, be fully exercisable for the duration of Exercise Period.

5.3 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 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.

5.4 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, and subject to Executive executing a separate written agreement releasing Company, its affiliates and employees from all employment related claims, the Company's sole obligation hereunder, 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. continuation of Executive's Annual Salary for a two year period after the date of Executive's separation from service (to be paid in accordance with the Company's usual payroll practices)

iii. all benefits specified in Section 3.4 hereof during the two year period following such separation from service, (to the extent Executive's is no longer eligible to receive the Section 3.4 benefits during this two year period due to change in employment status, Company shall reimburse Executive's reasonable expenses in securing comparable benefits during such time),

iv. the greater of (A) Executive's "target" Annual Bonus as may be established by the Compensation Committee for the fiscal year in which the date of separation occurs, (B) 90% of Executive's Annual Salary for the year in which separation from service occurs, or (C) the amount of the Annual Bonus for the fiscal year preceding the fiscal year in which the date of separation from service occurs, (to be determined and paid following completion of the fiscal year during which separation occurs) with an equal additional amount to be paid on the first anniversary of the payment of such Annual Bonus, with each such payment to be reduced by the amount the Company may have contributed to Executive's 401(k) account with the Company during the prior fiscal year, and

v. notwithstanding anything set forth in the terms and conditions of applicable Stock Award agreements, the Stock Awards granted prior to such separation shall immediately vest and, in the case of stock options, shall remain exercisable for Exercise Period.

For purposes of this Agreement, "Good reason" shall mean (i) a reduction in the Annual Salary or Annual Bonus opportunity as specified in Section 3.1 or 3.2, respectively (ii) a material diminution in the Executive's duties or responsibilities, (iii) an adverse change in the Executive's title, (iv) assignment to Executive of duties and responsibilities that are inconsistent with his position in any material adverse respect, or (v) a material breach of this Agreement by the Company. 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, one or more payments under this Section5.4 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.

5.5 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 rights as provided in applicable Stock Award agreements and except as otherwise required by applicable law.

6. Expenses.

6.1 General. During the Term the Executive will be reimbursed for his reasonable expenses incurred for the benefit 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 Executives shall be reimbursed upon his presenting to the Company an itemized expense voucher.

7. Provisions.

7.1 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.

7.2 Entire Agreement. This Agreement and the Stock Award Agreements 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.

7.3 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.

7.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas. 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 Texas, and the Executive and the Company hereby submit to personal jurisdiction in the State of Texas and to venue in such courts.

7.5 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, distributes, 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.

7.6 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.

7.7 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.

8. Arbitration. Except for disputes arising out of or pertaining to Section 4.2 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 provision 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.

9. 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 or 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 9.

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

By: /s/ W. Christopher Wellborn
W. CHRISTOPHER WELLBORN

MOHAWK INDUSTRIES, INC.

By: /s/ Jeffrey S. Lorberbaum
JEFFREY S. LORBERBAUM
Chairman, President and Chief Executive Officer

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.

/s/ Jeffrey S. Lorberbaum

Jeffrey S. Lorberbaum
Chairman, President and Chief Executive Officer
Date: May 1, 2008

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.

/s/ Frank H. Boykin
Frank H. Boykin
Chief Financial Officer
Date: May 1, 2008

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 March 29, 2008 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 1, 2008

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 March 29, 2008 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 1, 2008