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, 2014

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	**52-1604305**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
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 ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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, 2014, the latest practicable date, is as follows: 72,828,987 shares of Common Stock, $.01 par value.

MOHAWK INDUSTRIES, INC.
INDEX

PART I. FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
ASSETS
(In thousands)
(Unaudited)

	March 29, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 72,645	54,066
Receivables, net	1,174,895	1,062,875
Inventories	1,632,236	1,572,325
Prepaid expenses	207,618	204,034
Deferred income taxes	133,808	147,534
Other current assets	42,072	44,884
Total current assets	3,263,274	3,085,718
Property, plant and equipment	5,055,793	4,950,149
Less: accumulated depreciation	2,310,736	2,248,406
Property, plant and equipment, net	2,745,057	2,701,743
Goodwill	1,721,792	1,736,092
Tradenames	692,216	700,592
Other intangible assets subject to amortization, net	104,680	111,010
Deferred income taxes and other non-current assets	154,469	159,022
	$ 8,681,488	8,494,177
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt and commercial paper	$ 654,871	127,218
Accounts payable and accrued expenses	1,188,644	1,193,593
Total current liabilities	1,843,515	1,320,811
Deferred income taxes	423,034	445,823
Long-term debt, less current portion	1,811,789	2,132,790
Other long-term liabilities	109,706	124,447
Total liabilities	4,188,044	4,023,871
Commitments and contingencies (Notes 9 and 15)		
Stockholders' equity:		
Preferred stock, $.01 par value; 60 shares authorized; no shares issued	—	—
Common stock, $.01 par value; 150,000 shares authorized; 80,984 and 80,841 shares issued in 2014 and 2013, respectively	810	808
Additional paid-in capital	1,572,865	1,566,985
Retained earnings	3,034,890	2,953,809
Accumulated other comprehensive income, net	115,609	178,689
	4,724,174	4,700,291
Less treasury stock at cost; 8,155 shares in 2014 and 2013	239,234	239,234
Total Mohawk Industries, Inc. stockholders' equity	4,484,940	4,461,057
Noncontrolling interest	8,504	9,249
Total stockholders' equity	4,493,444	4,470,306
	$ 8,681,488	8,494,177

See accompanying notes to condensed consolidated financial statements.

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

	Three Months Ended	
	March 29, 2014	March 30, 2013
Net sales	$ 1,813,095	1,486,815
Cost of sales	1,331,740	1,109,749
Gross profit	481,355	377,066
Selling, general and administrative expenses	350,620	290,224
Operating income	130,735	86,842
Interest expense	22,096	19,156
Other expense	4,890	6,387
Earnings from continuing operations before income taxes	103,749	61,299
Income tax expense	22,696	10,732
Net earnings including noncontrolling interest	81,053	50,567
Net (loss) income attributable to noncontrolling interest	(28)	72
Net earnings attributable to Mohawk Industries, Inc.	$ 81,081	50,495
Basic earnings per share attributable to Mohawk Industries, Inc.		
Basic earnings per share attributable to Mohawk Industries, Inc.	$ 1.11	0.73
Weighted-average common shares outstanding—basic	72,742	69,375
Diluted earnings per share attributable to Mohawk Industries, Inc.		
Diluted earnings per share attributable to Mohawk Industries, Inc.	$ 1.11	0.72
Weighted-average common shares outstanding—diluted	73,282	69,897

See accompanying notes to condensed consolidated financial statements.

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)
(Unaudited)

	Three Months Ended	
	March 29, 2014	**March 30, 2013**
Net earnings including noncontrolling interest	$ 81,053	50,567
Other comprehensive income (loss):		
Foreign currency translation adjustments	(63,082)	(77,706)
Pension prior service cost and actuarial gain	2	215
Other comprehensive loss	(63,080)	(77,491)
Comprehensive income (loss)	17,973	(26,924)
Comprehensive (loss) income attributable to the noncontrolling interest	(28)	72
Comprehensive income (loss) attributable to Mohawk Industries, Inc.	$ 18,001	(26,996)

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, 2014	March 30, 2013
Cash flows from operating activities:		
Net earnings	$ 81,053	50,567
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Restructuring	4,661	8,222
Depreciation and amortization	80,984	60,349
Deferred income taxes	(9,814)	(5,985)
Loss on disposal of property, plant and equipment	406	51
Stock-based compensation expense	7,614	5,504
Changes in operating assets and liabilities, net of effects of acquisitions:		
Receivables, net	(114,755)	(120,814)
Inventories	(65,645)	(50,134)
Accounts payable and accrued expenses	(36,365)	15,568
Other assets and prepaid expenses	1,858	11,115
Other liabilities	(21,003)	(13,387)
Net cash used in operating activities	(71,006)	(38,944)
Cash flows from investing activities:		
Additions to property, plant and equipment	(122,081)	(63,282)
Acquisitions, net of cash acquired	19	(147,769)
Net cash used in investing activities	(122,062)	(211,051)
Cash flows from financing activities:		
Payments on Senior Credit Facilities	(1,010,654)	(537,409)
Proceeds from Senior Credit Facilities	682,101	842,634
Payments on Commercial Paper	(287,485)	—
Proceeds from Commercial Paper	878,626	—
Proceeds from 3.85% Senior Notes	—	600,000
Repayment of acquired debt and other financings	(12,417)	—
Net change in asset securitization borrowings	—	20,000
Payments on other debt	(52,460)	(1,630)
Debt issuance costs	—	(5,170)
Change in outstanding checks in excess of cash	9,056	(8,069)
Proceeds and net tax benefit from stock transactions	6,276	27,619
Net cash provided by financing activities	213,043	937,975
Effect of exchange rate changes on cash and cash equivalents	(1,396)	(45,485)
Net change in cash and cash equivalents	18,579	642,495
Cash and cash equivalents, beginning of period	54,066	477,672
Cash and cash equivalents, end of period	$ 72,645	1,120,167

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 U.S. generally accepted accounting principles 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 2013 Annual Report on Form 10-K, as filed with the Securities and Exchange Commission. Results for interim periods are not necessarily indicative of the results for the year.

2. Acquisitions

Marazzi Acquisition

On December 20, 2012, the Company entered into a share purchase agreement (the "Share Purchase Agreement") with LuxELIT S.á r.l., a Luxembourg limited liability company, and Finceramica S.p.A., an Italian corporation (collectively, "Sellers"), to acquire the shares of Fintiles S.p.A., an Italian corporation ("Marazzi"). On April 3, 2013, pursuant to the terms of the Share Purchase Agreement, the Company completed the acquisition of Marazzi for an enterprise value of $1,522,731, including acquired indebtedness. The Marazzi results are reflected in the Ceramic segment.

The equity value of Marazzi was paid to the Sellers in cash and in the Company's common stock (the "Shares"). The number of Shares transferred as part of the consideration was calculated using the average closing price for the Company's common stock over a 30-day trading period ending March 19, 2013.

Pursuant to the Share Purchase Agreement, the Company (i) acquired the entire issued share capital of Marazzi and (ii) assumed $901,773 of indebtedness of Marazzi, in exchange for the following consideration:

- A cash payment of $307,052; and
- 2,874 newly issued Shares for a value of $313,906.

The Company funded the cash portion of the Marazzi acquisition through a combination of proceeds from the 3.85% Senior Notes (as discussed in Note 16), cash on hand and borrowings under the 2011 Senior Credit Facility. The Company incurred $15,660 of direct transaction costs, of which $14,199 were recorded in selling, general and administrative expenses and $1,461 were recorded in other expenses for the year ended December 31, 2013. The Company did not record any transaction costs during the three months ended March 30, 2013.

The Marazzi acquisition makes the Company a global leader in ceramic tile. The addition of Marazzi will allow the Company to expand its U.S. distribution, source ceramic tile from a worldwide base, and provide industry leading innovation and design to all of its global ceramic customers. The acquisition will provide opportunities to improve performance by leveraging best practices, operational expertise, product innovation and manufacturing assets across the enterprise.

Table of Contents

The following table summarizes the allocation of the aggregate purchase price of the Marazzi acquisition to the estimated fair values of the tangible and identifiable intangible assets acquired and liabilities assumed:

Enterprise value	$	1,522,731
Assumed indebtedness		(901,773)
Consideration transferred	$	620,958

Working capital	$	428,624
Property, plant and equipment, net		773,594
Tradenames		215,357
Customer relationships		21,792
Equity method investments		32
Goodwill		276,586
Other long-term assets		18,499
Long-term debt, including current portion		(901,773)
Other long-term liabilities		(70,090)
Deferred tax liability		(135,455)
Noncontrolling interest		(6,208)
Consideration transferred	$	620,958

Intangible assets subject to amortization of $21,792 related to customer relationships have an estimated average life of 10 years. In addition to the amortizable intangible assets, there is an additional $215,357 in indefinite-lived trademark intangible assets. The goodwill of $276,586 was allocated to the Ceramic segment. The factors contributing to the recognition of the amount of goodwill are based on several strategic and synergistic benefits that are expected to be realized from the Marazzi acquisition. These benefits include opportunities to improve the Company's ceramic performance by leveraging best practices, operational expertise, product innovation and manufacturing assets across the segment. The goodwill is not expected to be deductible for tax purposes. The fair value of inventories acquired included a step-up in the value of inventories of approximately $31,041 which was charged to cost of sales in the year ended December 31, 2013.

In connection with the acquisition of Marazzi, the Company became a party to an off-balance sheet accounts receivable securitization facility ("Marazzi Securitization Facility") pursuant to which the Company services receivables sold to a third party. As of March 29, 2014, the amount utilized under the Marazzi Securitization Facility was €5,534. The Company is in the process of terminating this facility.

The following unaudited pro forma consolidated results of operations have been prepared as if the Marazzi acquisition occurred as of January 1, 2012:

		Three Months Ended	
		March 29, 2014	March 30, 2013
Net Sales:			
As reported	$	1,813,095	1,486,815
Pro forma	$	1,813,095	1,749,296
Net earnings from continuing operations attributable to Mohawk Industries, Inc.:			
As reported	$	81,081	50,495
Pro forma	$	81,081	58,409
Basic earnings per share from continuing operations attributable to Mohawk Industries, Inc.:			
As reported	$	1.11	0.73
Pro forma	$	1.11	0.81
Diluted earnings per share from continuing operations attributable to Mohawk Industries, Inc.:			
As reported	$	1.11	0.72
Pro forma	$	1.11	0.80

The pro forma earnings and per share results for the three months ended March 30, 2013 have been prepared for comparative purposes only, and they do not purport to be indicative of the results of operations that actually would have resulted had the acquisition occurred on the date indicated or that may result in the future.

Other Acquisitions

On January 10, 2013, the Company completed its purchase of Pergo, a leading manufacturer of laminate flooring in the U.S. and the Nordic countries. The total value of the acquisition was approximately $145,000. Pergo complements the Company's specialty distribution network in the U.S., leverages its geographic position in Europe, expands its geographic reach to the Nordic countries and India and enhances its patent portfolio. The acquisition's results and purchase price allocation have been included in the condensed consolidated financial statements since the date of the acquisition. The Company's acquisition of Pergo resulted in a goodwill allocation of $18,456, indefinite-lived trademark intangible assets of $16,834 and intangible assets subject to amortization of $15,188. The factors contributing to the recognition of the amount of goodwill include the opportunity to optimize the assets of Pergo with the Company's existing Laminate and Wood assets while strengthening the design and product performance of the Pergo and Unilin brands. The Pergo results are reflected in the Laminate and Wood segment.

On May 3, 2013, the Company completed the acquisition of Spano, a Belgian panel board manufacturer. The total value of the acquisition was approximately $160,000. Spano extends the Laminate and Wood segment's customer base into new channels of distribution and adds technical expertise and product knowledge that the Company can leverage. The acquisition's results and a preliminary purchase price allocation have been included in the condensed consolidated financial statements since the date of the acquisition. The Company's acquisition of Spano resulted in a preliminary goodwill allocation of $37,739. The factors contributing to the recognition of the amount of goodwill include the extension of the Company's customer base into new channels of distribution and the opportunity for synergies in manufacturing assets and processes, raw materials and operational efficiencies. The Spano results are reflected in the Laminate and Wood segment.

3. Restructuring, acquisition and integration-related costs

The Company incurs costs in connection with acquiring, integrating and restructuring acquisitions and in connection with its global cost-reduction/productivity initiatives. For example:

- In connection with acquisition activity, the Company typically incurs costs associated with executing the transactions, integrating the acquired operations (which may include expenditures for consulting and the integration of systems and processes), and restructuring the combined company (which may include charges related to employees, assets and activities that will not continue in the combined company); and

- In connection with the Company's cost-reduction/productivity initiatives, it typically incurs costs and charges associated with site closings and other facility rationalization actions and workforce reductions.

Restructuring, acquisition transaction and integration-related costs consisted of the following during the three months ended March 29, 2014 and March 30, 2013:

	Three Months Ended	
	March 29, 2014	March 30, 2013
Cost of sales		
Restructuring costs	$ 2,059	3,006
Acquisition integration-related costs	3,578	405
Restructuring and integration-related costs	$ 5,637	3,411
Selling, general and administrative expenses		
Restructuring costs	$ 2,602	5,216
Acquisition integration-related costs	3,486	1,229
Restructuring, acquisition and integration-related costs	$ 6,088	6,445

The restructuring activity for the three months ended March 29, 2014 is as follows:

	Lease impairments	Asset write-downs	Severance	Other restructuring costs	Total
Balance as of December 31, 2013	$ 5,904	—	18,144	—	24,048
Provision - Ceramic segment	—	525	461	513	1,499
Provision - Laminate and Wood segment	—	—	718	2,444	3,162
Cash payments	(864)	—	(7,879)	(2,444)	(11,187)
Non-cash items	—	(525)	—	(513)	(1,038)
Balance as of March 29, 2014	$ 5,040	—	11,444	—	16,484

The Company expects the remaining lease impairments, severance and other restructuring costs to be paid over the next five years.

4. Discontinued operations

On January 22, 2014, the Company sold a non-core sanitary ware business acquired as part of the Marazzi acquisition because the Company did not believe the business was consistent with its long-term strategy. The Company determined that the business meets the definition of discontinued operations. Sales attributable to discontinued operations for the year ended December 31, 2013 were immaterial. The loss on sale of $16,569 ($15,651, net of tax) related to the disposition of the business was recorded in discontinued operations for the year ended December 31, 2013.

5. Receivables, net

Receivables, net are as follows:

	March 29, 2014	December 31, 2013
Customers, trade	$ 1,192,773	1,076,824
Income tax receivable	5,725	7,590
Other	57,125	55,498
	1,255,623	1,139,912
Less: allowance for discounts, returns, claims and doubtful accounts	80,728	77,037
Receivables, net	$ 1,174,895	1,062,875

6. Inventories

The components of inventories are as follows:

	March 29, 2014	December 31, 2013
Finished goods	$ 1,096,331	1,039,478
Work in process	138,339	129,080
Raw materials	397,566	403,767
Total inventories	$ 1,632,236	1,572,325

7. Goodwill and intangible assets

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

Goodwill:

	Carpet segment	Ceramic segment	Laminate and Wood segment	Total
Balance as of December 31, 2013				
Goodwill	$ 199,132	1,459,812	1,404,573	3,063,517
Accumulated impairment losses	(199,132)	(531,930)	(596,363)	(1,327,425)
	$ —	927,882	808,210	1,736,092
Goodwill recognized during the period	$ —	(2,497)	2,509	12
Currency translation during the period	$ —	(12,767)	(1,545)	(14,312)
Balance as of March 29, 2014				
Goodwill	$ 199,132	1,444,548	1,405,537	3,049,217
Accumulated impairment losses	(199,132)	(531,930)	(596,363)	(1,327,425)
	$ —	912,618	809,174	1,721,792

During the first quarter of 2014, the Company acquired certain assets of a wood business in the Laminate and Wood segment for $ 303, resulting in a preliminary goodwill allocation of $ 1,396.

Intangible assets not subject to amortization:

	Tradenames
Balance as of December 31, 2013	$ 700,592
Currency translation during the period	(8,376)
Balance as of March 29, 2014	$ 692,216

Intangible assets subject to amortization:

Gross carrying amounts:		Customer relationships	Patents	Other	Total
Balance as of December 31, 2013	$	383,359	307,186	1,501	692,046
Currency translation during the period		(646)	(1,112)	3	(1,755)
Balance as of March 29, 2014	$	382,713	306,074	1,504	690,291

Accumulated amortization:		Customer relationships	Patents	Other	Total
Balance as of December 31, 2013	$	342,361	238,115	560	581,036
Amortization during the period		1,606	4,401	31	6,038
Currency translation during the period		(624)	(840)	1	(1,463)
Balance as of March 29, 2014	$	343,343	241,676	592	585,611
Intangible assets subject to amortization, net	$	39,370	64,398	912	104,680

		Three Months Ended	
		March 29, 2014	March 30, 2013
Amortization expense	$	6,038	5,974

8. Accounts payable and accrued expenses

Accounts payable and accrued expenses are as follows:

		March 29, 2014	December 31, 2013
Outstanding checks in excess of cash	$	27,068	18,012
Accounts payable, trade		697,366	631,732
Accrued expenses		233,004	273,230
Product warranties		33,260	35,818
Accrued interest		15,962	35,618
Deferred tax liability		9,075	11,235
Income taxes payable		15,256	1,095
Accrued compensation and benefits		157,653	186,853
Total accounts payable and accrued expenses	$	1,188,644	1,193,593

9. Product warranties

The Company warrants certain qualitative attributes of its products for up to 50 years. The Company records a provision for estimated warranty and related costs in accrued expenses, based on historical experience, and periodically adjusts these provisions to reflect actual experience.

The activity related to warranty obligations is as follows:

		Three Months Ended	
		March 29, 2014	March 30, 2013
Balance at beginning of period	$	35,818	32,930
Warranty claims paid during the period		(14,024)	(13,301)
Acquisitions		—	2,780
Warranty expense during the period		11,466	13,074
Balance at end of period	$	33,260	35,483

10. Accumulated other comprehensive income

The changes in accumulated other comprehensive income by component, net of tax, for the three months ended March 29, 2014 are as follows:

	Foreign currency translation adjustments	Pensions (1)	Total
Balance as of December 31, 2013	$ 178,846	(157)	178,689
Current period other comprehensive (loss) income before reclassifications	(63,082)	2	(63,080)
Amounts reclassified from accumulated other comprehensive (loss) income	—	—	—
Balance as of March 29, 2014	$ 115,764	(155)	115,609

(1) This accumulated other comprehensive income (loss) component is included in the computation of net periodic pension cost (refer to Note 13 to the consolidated financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2013).

11. Stock-based compensation

The Company recognizes compensation expense for all share-based payments granted based on the grant-date fair value estimated in accordance with the provisions of the Financial Accounting Standards Board Accounting Standards Codification topic (“ASC”) 718-10. Compensation expense is recognized on a straight-line basis over the options’ or other awards’ estimated lives for fixed awards with ratable vesting provisions.

Under the Company’s 2012 Incentive Plan (“2012 Plan”), the Company's principal stock compensation plan as of May 9, 2012, 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 (“RSUs”) and other types of awards, to directors and key employees through 2022. Option awards are 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 RSUs are 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 did not grant any options for the three months ended March 29, 2014 and March 30, 2013. The Company recognized stock-based compensation costs related to stock options of $283 ($179 net of taxes) and $606 ($384 net of taxes) for the three months ended March 29, 2014 and March 30, 2013, respectively, which has been allocated to cost of sales and selling, general and administrative expenses. Pre-tax unrecognized compensation expense for stock options granted to employees and outside directors, net of estimated forfeitures, was $787 as of March 29, 2014, and will be recognized as expense over a weighted-average period of approximately 1.15 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 189 RSU's at a weighted-average grant-date fair value of $144.75 per unit for the three months ended March 29, 2014. The Company granted 206 RSU's at a weighted-average grant-date fair value per unit of $111.74 for the three months ended March 30, 2013. The Company recognized stock-based compensation costs related to the issuance of RSUs of $7,331 ($4,644 net of taxes) and $4,898 ($3,103 net of taxes) for the three months ended March 29, 2014 and March 30, 2013, respectively, which has been allocated to cost of sales and selling, general and administrative expenses. Pre-tax unrecognized compensation expense for unvested RSUs granted to employees, net of estimated forfeitures, was $49,991 as of March 29, 2014, and will be recognized as expense over a weighted-average period of approximately 2.68 years.

12. Other expense (income)

Other expense (income) is as follows:

	Three Months Ended	
	March 29, 2014	March 30, 2013
Foreign currency losses, net	$ 5,889	3,799
All other, net	(999)	2,588
Total other expense	$ 4,890	6,387

13. Earnings per share

Basic earnings per common share is computed by dividing earnings from continuing operations attributable to Mohawk Industries, Inc. by the weighted average number of common shares outstanding during each period. Diluted earnings per common share assumes the exercise of outstanding stock options and the vesting of RSUs using the treasury stock method when the effects of such assumptions are dilutive. A reconciliation of earnings from continuing operations attributable to Mohawk Industries, Inc. and weighted average common shares outstanding for purposes of calculating basic and diluted earnings per share is as follows:

	Three Months Ended	
	March 29, 2014	March 30, 2013
Earnings from continuing operations attributable to Mohawk Industries, Inc.	$ 81,081	50,495
Weighted-average common shares outstanding-basic and diluted:		
Weighted-average common shares outstanding—basic	72,742	69,375
Add weighted-average dilutive potential common shares—options to purchase common shares and RSUs, net	540	522
Weighted-average common shares outstanding-diluted	73,282	69,897
Earnings per share from continuing operations attributable to Mohawk Industries, Inc.		
Basic	$ 1.11	0.73
Diluted	$ 1.11	0.72

14. Segment reporting

The Company has three reporting segments: the Carpet segment, the Ceramic segment and the Laminate and Wood segment. The Carpet segment designs, manufactures, sources and markets its floor covering product lines, including carpets, ceramic tile, laminate, rugs, carpet pad, hardwood and resilient, which it distributes primarily in North America through its network of regional distribution centers and satellite warehouses using company-operated trucks, common carrier or rail transportation. The segment’s product lines are sold through various selling channels, which include independent floor covering retailers, home centers, mass merchandisers, department stores, shop at home, buying groups, commercial dealers and commercial end users. The Ceramic segment designs, manufactures, sources and markets a broad line of ceramic tile, porcelain tile, natural stone and other products, which it distributes primarily in North America, Europe and Russia through its network of regional distribution centers and Company-operated service centers using company-operated trucks, common carriers or rail transportation. The segment’s product lines are sold through Company-operated service centers, independent distributors, home center retailers, tile and flooring retailers and contractors. The Laminate and Wood segment designs, manufactures, sources, licenses and markets laminate, hardwood flooring, roofing elements, insulation boards, medium-density fiberboard ("MDF"), chipboards and other wood products, which it distributes primarily in North America and Europe through various selling channels, which include retailers, independent distributors and home centers.

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.

Segment information is as follows:

		Three Months Ended	
		March 29, 2014	March 30, 2013
Net sales:			
Carpet segment	$	674,926	695,334
Ceramic segment		695,094	411,881
Laminate and Wood segment		468,008	404,475
Intersegment sales		(24,933)	(24,875)
	$	1,813,095	1,486,815
Operating income (loss):			
Carpet segment	$	34,271	25,238
Ceramic segment		60,659	29,976
Laminate and Wood segment		44,119	38,693
Corporate and intersegment eliminations		(8,314)	(7,065)
	$	130,735	86,842

		March 29, 2014	December 31, 2013
Assets:			
Carpet segment	$	1,920,937	1,786,085
Ceramic segment		3,782,006	3,787,785
Laminate and Wood segment		2,788,839	2,716,759
Corporate and intersegment eliminations		189,706	203,548
	$	8,681,488	8,494,177

15. 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.

Beginning in August 2010, a series of civil lawsuits were initiated in several U.S. federal courts alleging that certain manufacturers of polyurethane foam products and competitors of the Company's carpet underlay division had engaged in price fixing in violation of U.S. antitrust laws. The Company has been named as a defendant in a number of the individual cases (the first filed on August 26, 2010), as well as in two consolidated amended class action complaints (the first filed on February 28, 2011) on behalf of a class of all direct purchasers of polyurethane foam products, and the second filed on March 21, 2011, on behalf of a class of indirect purchasers. All pending cases in which the Company has been named as a defendant have been filed in or transferred to the U.S. District Court for the Northern District of Ohio for consolidated pre-trial proceedings under the name *In re: Polyurethane Foam Antitrust Litigation*, Case No. 1:10-MDL-02196.

In these actions, the plaintiffs, on behalf of themselves and/or a class of purchasers, seek three times the amount of unspecified damages allegedly suffered as a result of alleged overcharges in the price of polyurethane foam products from at least 1999 to the present. Each plaintiff also seeks attorney fees, pre-judgment and post-judgment interest, court costs, and injunctive relief against future violations. In April 2011, the Company filed a motion to dismiss the class action claims brought by the direct purchasers, and in May 2011, the Company moved to dismiss the claims brought by the indirect purchasers. On July 19, 2011, the Court denied all defendants' motions to dismiss. On April 9, 2014, the Court certified the direct and indirect purchaser classes. The Company expects to appeal the certification order.

In December 2011, the Company was named as a defendant in a Canadian Class action, *Hi! Neighbor Floor Covering Co. Limited v. Hickory Springs Manufacturing Company, et al*., filed in the Superior Court of Justice of Ontario, Canada and *Options Consommateures v. Vitafoam, Inc. et.al.*, filed in the Superior Court of Justice of Quebec, Montreal, Canada, both of which allege similar claims against the Company as raised in the U.S. actions and seek unspecified damages and punitive damages. The Company denies all of the allegations in these actions and will vigorously defend itself.

The Company believes that adequate provisions for resolution of all contingencies, claims and pending litigation have been made for probable losses that are reasonably estimable. These contingencies are subject to significant uncertainties and we are unable to estimate the amount or range of loss, if any, in excess of amounts accrued. The Company does not believe that the ultimate outcome of these actions will have a material adverse effect on its financial condition but could have a material adverse effect on its results of operations, cash flows or liquidity in a given quarter or year.

In January 2012, the Company received a €23,789 assessment from the Belgian tax authority related to its year ended December 31, 2008, asserting that the Company had understated its Belgian taxable income for that year. The Company filed a formal protest in the first quarter of 2012 refuting the Belgian tax authority's position. The Belgian tax authority set aside the assessment in the third quarter of 2012 and refunded all related deposits, including interest income of €1,583 earned on such deposits. However, on October 23, 2012, the Belgian tax authority notified the Company of its intent to increase the Company's taxable income for the year ended December 31, 2008 under a revised theory. The Company has not been re-assessed by the Belgian tax authority for the 2008 tax year.

However, on December 28, 2012, the Belgian tax authority issued assessments for the years ended December 31, 2005 and December 31, 2009, in the amounts of €46,135 and €35,567, respectively, including penalties, but excluding interest. The Company filed a formal protest during the first quarter of 2013 relating to the new assessments. In September 2013, the Belgian tax authority denied the Company's protests, and the Company has petitioned the applicable Belgian court to hear the case.

In December 2013, the Belgian tax authority issued additional assessments related to the years ended December 31, 2006, 2007, and 2010, in the amounts of €38,817, €39,635, and €43,117, respectively, including penalties, but excluding interest. The Company filed formal protests during the first quarter of 2014, refuting the Belgian tax authority's position for each of the years assessed.

The Company continues to disagree with the views of the Belgian tax authority on this matter and will persist in its vigorous defense. Although there can be no assurances, the Company believes 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, liquidity or cash flows in a given quarter or year.

16. Debt

Commercial Paper

On February 28, 2014, the Company entered into definitive documentation to establish a commercial paper program for the issuance of unsecured commercial paper in the United States capital markets. Under the program, the Company may issue commercial paper notes from time to time in an aggregate amount not to exceed $1,000,000 outstanding at any time, subject to availability under the 2013 Senior Credit Facility, which the Company uses as a liquidity backstop. The commercial paper notes will have maturities ranging from one day to 397 days and will not be subject to voluntary prepayment by the Company or redemption prior to maturity. The commercial paper notes will rank pari passu with all of the Company's other unsecured and unsubordinated indebtedness.

The proceeds from the sale of commercial paper notes will be available for general corporate purposes. The Company used the initial proceeds from the sale of commercial paper notes to repay borrowings under its 2013 Senior Credit Facility and certain of its industrial revenue bonds. As of March 29, 2014, the amount utilized under the commercial paper program was $591,141 with a weighted-average interest rate and maturity period of 0.59% and 19 days, respectively.

Senior Credit Facilities

On September 25, 2013, the Company entered into a $1,000,000, 5-year, senior revolving credit facility (the "2013 Senior Credit Facility"). The 2013 Senior Credit Facility provides for a maximum of $1,000,000 of revolving credit, including limited amounts of credit in the form of letters of credit and swingline loans. The Company paid financing costs of $1,836 in connection with its 2013 Senior Credit Facility. These costs were deferred and, along with unamortized costs of $11,440 related to the Company’s 2011 Credit Facility, are being amortized over the term of the 2013 Senior Credit Facility.

At the Company's election, revolving loans under the 2013 Senior Credit Facility bear interest at annual rates equal to either (a) LIBOR for 1, 2, 3 or 6 month periods, as selected by the Company, plus an applicable margin ranging between 1.00%

and 1.75%, or (b) the higher of the Wells Fargo Bank, National Association prime rate, the Federal Funds rate plus 0.5%, and a monthly LIBOR rate plus 1.0%, plus an applicable margin ranging between 0.00% and 0.75%. The Company also pays a commitment fee to the Lenders under the 2013 Senior Credit Facility on the average amount by which the aggregate commitments of the Lenders' exceed utilization of the 2013 Senior Credit Facility ranging from 0.125% to 0.25% per annum. The applicable interest rate and the commitment fee are determined based on whichever of the Company's Consolidated Net Leverage Ratio or its senior unsecured debt rating (or if not available, corporate family rating) results in the lower applicable margins and commitment fee (with applicable margins and the commitment fee increasing as that ratio increases or those ratings decline, as applicable).

The obligations of the Company and its subsidiaries in respect of the 2013 Senior Credit Facility are unsecured.

If at any time (a) both (i) the Moody's Rating is Ba2 and (ii) the S&P Rating is BB, (b) (i) the Moody's Rating is Ba3 or lower and (ii) the S&P Rating is below BBB- (with a stable outlook or better) or (c) (i) the Moody's Rating is below Baa3 (with a stable outlook or better) and (ii) the S&P Rating is BB- or lower, the obligations of the Company and the other Borrowers under the 2013 Senior Credit Facility will be required to be guaranteed by all of the Company's material domestic subsidiaries and all obligations of Borrowers that are foreign subsidiaries will be required to be guaranteed by those foreign subsidiaries of the Company which the Company designates as guarantors.

The 2013 Senior Credit Facility includes certain affirmative and negative covenants that impose restrictions on the Company's financial and business operations, including limitations on liens, indebtedness, investments, fundamental changes, asset dispositions, dividends and other similar restricted payments, transactions with affiliates, payments and modifications of certain existing debt, future negative pledges, and changes in the nature of the Company's business. Many of these limitations are subject to numerous exceptions. The Company is also required to maintain a Consolidated Interest Coverage Ratio of at least 3.0 to 1.0 and a Consolidated Net Leverage Ratio of no more than 3.75 to 1.0, each as of the last day of any fiscal quarter.

The 2013 Senior Credit Facility also contains customary representations and warranties and events of default, subject to customary grace periods.

The 2013 Senior Credit Facility is scheduled to mature on September 25, 2018. However, the maturity date will accelerate, resulting in the acceleration of any unamortized deferred financing costs, to October 16, 2015, if on that date any of the Company's 6.125% notes due January 15, 2016 remains outstanding and the Company has not delivered to the Administrative Agent a certificate demonstrating that, after giving pro forma effect to the repayment in cash in full on that date of all of the 6.125% notes that remain outstanding, the amount the Company would be permitted to draw under the 2013 Senior Credit Facility, together with the aggregate consolidated amount of unrestricted cash and cash equivalents of the Company, would exceed $200,000. While there can be no assurance, the Company currently believes that if any of the 6.125% notes remains outstanding on October 16, 2015, the amount the Company would be permitted to draw under the 2013 Senior Credit Facility, together with the aggregate consolidated amount of the Company's unrestricted cash and cash equivalents, would exceed $200,000 on October 16, 2015.

As of March 29, 2014, the amount utilized under the 2013 Senior Credit Facility was $83,514 resulting in a total of $916,486 available under the 2013 Senior Credit Facility. The amount utilized included $35,795 of borrowings and $47,719 of standby letters of credit related to various insurance contracts and foreign vendor commitments. The Company considers outstanding borrowings under its commercial paper program to be a reduction of the available capacity on its 2013 Senior Credit Facility.

Senior Notes

On January 31, 2013, the Company issued $600,000 aggregate principal amount of 3.85% Senior Notes due February 1, 2023. The Company paid financing costs of $6,000 in connection with the 3.85% Senior Notes. These costs were deferred and are being amortized over the term of the 3.85% Senior Notes.

On January 17, 2006, the Company issued $900,000 aggregate principal amount of 6.125% notes due January 15, 2016. Interest payable on these notes is subject to adjustment if either Moody's or S&P, or both, upgrades or downgrades the rating assigned to the Company. Each rating agency downgrade results in a 0.25% increase in the interest rate, subject to a maximum increase of 1% per rating agency. If later the rating of these notes improves, then the interest rates would be reduced accordingly. Each 0.25% increase in the interest rate of these notes would increase the Company's interest expense by approximately $63 per quarter per $100,000 of outstanding notes. The current rate in effect is 6.125%. Any future downgrades in the Company's credit ratings could increase the cost of its existing credit and adversely affect the cost of and ability to obtain additional credit in the future.

Accounts Receivable Securitization

On December 19, 2012, the Company entered into a three-year on-balance sheet trade accounts receivable securitization agreement (the "Securitization Facility"). The Securitization Facility allows the Company to borrow up to $300,000 based on available accounts receivable and is secured by the Company's U.S. trade accounts receivable. Borrowings under the Securitization Facility bear interest at commercial paper interest rates, in the case of lenders that are commercial paper conduits, or LIBOR, in the case of lenders that are not commercial paper conduits, in each case, plus an applicable margin of 0.75% per annum. The Company also pays a commitment fee at a per annum rate of 0.30% on the unused amount of each lender's commitment. At March 29, 2014, the amount utilized under the Securitization Facility was $300,000.

The fair values and carrying values of our debt instruments are detailed as follows:

	March 29, 2014		December 31, 2013	
	Fair Value	Carrying Value	Fair Value	Carrying Value
3.85% senior notes, payable January 31, 2023; interest payable semiannually	$ 591,600	600,000	569,400	600,000
6.125% notes, payable January 15, 2016; interest payable semiannually	970,200	900,000	983,700	900,000
Commercial paper	591,141	591,141	—	—
Five-year senior secured credit facility, due September 25, 2018	35,795	35,795	364,005	364,005
Securitization facility	300,000	300,000	300,000	300,000
Capital leases and other	39,724	39,724	96,003	96,003
Total debt	2,528,460	2,466,660	2,313,108	2,260,008
Less current portion of long term debt and commercial paper	654,871	654,871	127,218	127,218
Long-term debt, less current portion	$ 1,873,589	1,811,789	2,185,890	2,132,790

The fair values of the Company’s debt instruments were estimated using market observable inputs, including quoted prices in active markets, market indices and interest rate measurements. Within the hierarchy of fair value measurements, these are Level 2 fair values.

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

Overview

Mohawk Industries, Inc. (“Mohawk” or the “Company”) is a leading global flooring manufacturer that creates products to enhance residential and commercial spaces around the world. The Company's vertically integrated manufacturing and distribution processes provide competitive advantages in carpet, rugs, ceramic tile, laminate, wood, stone and vinyl flooring. The Company's industry-leading innovation has yielded products and technologies that differentiate its' brands in the marketplace and satisfy all flooring related remodeling and new construction requirements. The Company's brands are among the most recognized in the industry and include American Olean®, Bigelow®, Daltile®, Durkan®, Karastan®, Kerama Marazzi®, Lees®, Marazzi®, Mohawk®, Pergo®, Quick-Step® and Unilin®. During the past decade, the Company has transformed its business from an American carpet manufacturer into the world's largest flooring company with operations in Australia, Brazil, Canada, China, Europe, India, Malaysia, Mexico, Russia and the United States. The Company had annual net sales in 2013 of $7.3 billion.

The Company has three reporting segments: the Carpet segment, the Ceramic segment and the Laminate and Wood segment. The Carpet segment designs, manufactures, sources and markets its floor covering product lines, including carpets, ceramic tile, laminate, rugs, carpet pad, hardwood and resilient, which it distributes primarily in North America through its network of regional distribution centers and satellite warehouses using company-operated trucks, common carrier or rail transportation. The segment’s product lines are sold through various selling channels, which include independent floor covering retailers, home centers, mass merchandisers, department stores, shop at home, buying groups, commercial dealers and commercial end users. The Ceramic segment designs, manufactures, sources and markets a broad line of ceramic tile, porcelain tile, natural stone and other products, which it distributes primarily in North America, Europe and Russia through its network of regional distribution centers and Company-operated service centers using company-operated trucks, common carriers or rail transportation. The segment’s product lines are sold through Company-operated service centers, independent distributors, home center retailers, tile and flooring retailers and contractors. The Laminate and Wood segment designs, manufactures, sources, licenses and markets laminate, hardwood flooring, roofing elements, insulation boards, medium-density fiberboard ("MDF"), chipboards and other wood products, which it distributes primarily in North America and Europe through various selling channels, which include retailers, independent distributors and home centers.

For the three months ended March 29, 2014, net earnings attributable to the Company were $81.1 million, or diluted earnings per share ("EPS") of $1.11, compared to the net earnings attributable to the Company of $50.5 million, or diluted EPS of $0.72, for the three months ended March 30, 2013. The increase in diluted EPS for the three months ended March 29, 2014 was primarily attributable to the Marazzi and Spano acquisitions, increased operations productivity and the favorable net impact of price and product mix, partially offset by higher input costs.

Results of Operations

Quarter Ended March 29, 2014, as compared with Quarter Ended March 30, 2013

Net sales

Net sales for the three months ended March 29, 2014 were $1,813.1 million, reflecting an increase of $326.3 million, or 21.9%, from the $1,486.8 million reported for the three months ended March 30, 2013. The increase was primarily attributable to higher volume of approximately $317 million mainly driven by the Marazzi and Spano acquisitions and the net impact of favorable foreign exchange rates of approximately $10 million, partially offset by the unfavorable net impact of price and product mix of approximately $1 million.

Carpet segment—Net sales decreased $20.4 million, or 2.9%, to $674.9 million for the three months ended March 29, 2014, compared to $695.3 million for the three months ended March 30, 2013. The decrease was primarily attributable to lower volume of approximately $22 million, partially offset by the favorable net impact of price and product mix of approximately $2 million. The decrease in volume during the quarter was primarily attributable to the severe winter weather in North America.

Ceramic segment—Net sales increased $283.2 million, or 68.8%, to $695.1 million for the three months ended March 29, 2014, compared to $411.9 million for the three months ended March 30, 2013. The increase was primarily attributable to higher volume of approximately $282 million and the favorable net impact of price and product mix of approximately $3 million, partially offset by the net impact of unfavorable foreign exchange rates of approximately $2 million. Of the $282 million increase in volume, approximately $272 million was attributable to the Marazzi acquisition. The remaining volume increases were attributable to modest growth in the residential and commercial channels which were negatively impacted during the quarter by severe winter weather in North America.

Laminate and Wood segment—Net sales increased $63.5 million, or 15.7%, to $468.0 million for the three months ended March 29, 2014, compared to $404.5 million for the three months ended March 30, 2013. The increase was primarily attributable to higher volume of approximately $57 million and the net impact of favorable foreign exchange rates of approximately $12 million, partially offset by the unfavorable net impact of price and product mix of approximately $5 million. The $57 million increase in volume in the quarter was primarily attributable to the Spano acquisition, partially offset by the severe winter weather in North America.

Gross profit

Gross profit for the three months ended March 29, 2014 was $481.4 million (26.5% of net sales), an increase of $104.3 million or 27.7%, compared to gross profit of $377.1 million (25.4% of net sales) for the three months ended March 30, 2013. As a percentage of net sales, gross profit increased 110 basis points. The increase in gross profit dollars was primarily attributable to higher sales volume of approximately $89 million that was predominately attributable to the Marazzi and Spano acquisitions, operations productivity of approximately $22 million and the favorable net impact of price and product mix of approximately $8 million, partially offset by higher input costs of approximately $14 million.

Selling, general and administrative expenses

Selling, general and administrative expenses for the three months ended March 29, 2014 were $350.6 million (19.3% of net sales), compared to $290.2 million (19.5% of net sales) for the three months ended March 30, 2013. As a percentage of net sales, selling, general and administrative expenses decreased 20 basis points primarily due to increased sales volume. The increase in selling, general and administrative expenses in dollars was primarily attributable to acquisition volume.

Operating income

Operating income for the three months ended March 29, 2014 was $130.7 million (7.2% of net sales) reflecting an increase of $43.9 million, or 50.5%, compared to operating income of $86.8 million (5.8% of net sales) for the three months ended March 30, 2013. The increase in operating income was primarily attributable to sales volume increases of approximately $27 million predominately attributable to the Marazzi and Spano acquisitions, increases in operations productivity of approximately $22 million and the favorable net impact of price and product mix of approximately $8 million, partially offset by higher input costs of approximately $14 million.

Carpet segment—Operating income was $34.3 million (5.1% of segment net sales) for the three months ended March 29, 2014 reflecting an increase of $9.0 million compared to operating income of $25.2 million (3.6% of segment net sales) for the three months ended March 30, 2013. The increase in operating income was primarily attributable to operations productivity of approximately $10 million and lower restructuring charges of approximately $6 million, partially offset by lower sales volume of approximately $9 million.

Ceramic segment—Operating income was $60.7 million (8.7% of segment net sales) for the three months ended March 29, 2014 reflecting an increase of $30.7 million compared to operating income of $30.0 million (7.3% of segment net sales) for the three months ended March 30, 2013. The increase in operating income was primarily attributable to sales volume increases of approximately $26 million predominately attributable to the Marazzi acquisition, operations productivity of approximately $6 million and the favorable net impact of price and product mix of approximately $6 million, partially offset by higher input costs of approximately $6 million.

Laminate and Wood segment—Operating income was $44.1 million (9.4% of segment net sales) for the three months ended March 29, 2014 reflecting an increase of $5.4 million compared to operating income of $38.7 million (9.6% of segment net sales) for the three months ended March 30, 2013. The increase in operating income was primarily attributable to sales volume increases of approximately $10 million and operations productivity of approximately $6 million, partially offset by higher restructuring, acquisition and integration costs of approximately $6 million and higher input costs of approximately $6 million.

Interest expense

Interest expense was $22.1 million for the three months ended March 29, 2014, reflecting an increase of $2.9 million compared to interest expense of $19.2 million for the three months ended March 30, 2013. The increase was primarily attributable to increased debt levels to finance the acquisitions.

Other expense

Other expense was $4.9 million for the three months ended March 29, 2014, reflecting a favorable change of $1.5 million compared to other expense of $6.4 million for the three months ended March 30, 2013.

Income tax expense

For the three months ended March 29, 2014, the Company recorded income tax expense of $22.7 million on earnings from continuing operations before income taxes of $103.7 million for an effective tax rate of 21.9%, as compared to an income tax expense of $10.7 million on earnings from continuing operations before income taxes of $61.3 million, for an effective tax rate of 17.5% for the three months ended March 30, 2013. The difference in the effective tax rate for the comparative period is attributable to the geographic dispersion of earnings and losses for the quarters.

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, commercial paper, bank credit lines, term and senior notes and credit terms from suppliers.

Net cash used in operating activities in the first three months of 2014 was $71.0 million, compared to net cash used in operating activities of $38.9 million in the first three months of 2013. The increase was primarily attributable to changes in working capital, partially offset by higher earnings.

Net cash used in investing activities in the first three months of 2014 was $122.1 million compared to net cash used in investing activities of $211.1 million in the first three months of 2013. The decrease was primarily attributable to acquisitions of $147.8 million in the prior year, partially offset by higher capital expenditures of $58.8 million in the current year. Capital spending during the remainder of 2014 is expected to range from approximately $360 million to $380 million and is intended to support growth and margin expansion including increases in carpet fiber and yarn capacity, increasing tile capacity and the addition of a luxury vinyl tile ("LVT") facility in Europe.

Net cash provided by financing activities in the first three months of 2014 was $213.0 million compared to net cash provided by financing activities of $938.0 million in the first three months of 2013. The decrease was primarily attributable to the proceeds from the 3.85% Senior Notes and proceeds from the 2011 Senior Credit Facility used to fund the Marazzi acquisition in the prior year.

Commercial Paper

On February 28, 2014, the Company entered into definitive documentation to establish a commercial paper program for the issuance of unsecured commercial paper in the United States capital markets. Under the program, the Company may issue commercial paper notes from time to time in an aggregate amount not to exceed $1,000.0 million outstanding at any time, subject to availability under the 2013 Senior Credit Facility, which the Company uses as a liquidity backstop. The commercial paper notes will have maturities ranging from one day to 397 days and will not be subject to voluntary prepayment by the Company or redemption prior to maturity. The commercial paper notes will rank pari passu with all of the Company's other unsecured and unsubordinated indebtedness.

The proceeds from the sale of commercial paper notes will be available for general corporate purposes. The Company used the initial proceeds from the sale of commercial paper notes to repay borrowings under its 2013 Senior Credit Facility and certain of its industrial revenue bonds. As of March 29, 2014, the amount utilized under the commercial paper program was $591.1 million with a weighted-average interest rate and maturity period of 0.59% and 19 days, respectively.

Senior Credit Facilities

On September 25, 2013, the Company entered into a $1,000.0 million, 5-year, senior revolving credit facility (the "2013 Senior Credit Facility"). The 2013 Senior Credit Facility provides for a maximum of $1,000,000.0 of revolving credit, including limited amounts of credit in the form of letters of credit and swingline loans. The Company paid financing costs of $1.8 million in connection with its 2013 Senior Credit Facility. These costs were deferred and, along with unamortized costs of $11.4 million related to the Company’s 2011 Credit Facility, are being amortized over the term of the 2013 Senior Credit Facility.

At the Company's election, revolving loans under the 2013 Senior Credit Facility bear interest at annual rates equal to either (a) LIBOR for 1, 2, 3 or 6 month periods, as selected by the Company, plus an applicable margin ranging between 1.00% and 1.75%, or (b) the higher of the Wells Fargo Bank, National Association prime rate, the Federal Funds rate plus 0.5%, and a monthly LIBOR rate plus 1.0%, plus an applicable margin ranging between 0.00% and 0.75%. The Company also pays a commitment fee to the Lenders under the 2013 Senior Credit Facility on the average amount by which the aggregate commitments of the Lenders' exceed utilization of the 2013 Senior Credit Facility ranging from 0.125% to 0.25% per annum. The applicable interest rate and the commitment fee are determined based on whichever of the Company's Consolidated Net Leverage Ratio or its senior unsecured debt rating (or if not available, corporate family rating) results in the lower applicable margins and commitment fee (with applicable margins and the commitment fee increasing as that ratio increases or those ratings decline, as applicable).

The obligations of the Company and its subsidiaries in respect of the 2013 Senior Credit Facility are unsecured.

If at any time (a) both (i) the Moody's Rating is Ba2 and (ii) the S&P Rating is BB, (b) (i) the Moody's Rating is Ba3 or lower and (ii) the S&P Rating is below BBB- (with a stable outlook or better) or (c) (i) the Moody's Rating is below Baa3 (with a stable outlook or better) and (ii) the S&P Rating is BB- or lower, the obligations of the Company and the other Borrowers under the 2013 Senior Credit Facility will be required to be guaranteed by all of the Company's material domestic subsidiaries and all obligations of Borrowers that are foreign subsidiaries will be required to be guaranteed by those foreign subsidiaries of the Company which the Company designates as guarantors.

The 2013 Senior Credit Facility includes certain affirmative and negative covenants that impose restrictions on the Company's financial and business operations, including limitations on liens, indebtedness, investments, fundamental changes, asset dispositions, dividends and other similar restricted payments, transactions with affiliates, payments and modifications of certain existing debt, future negative pledges, and changes in the nature of the Company's business. Many of these limitations are subject to numerous exceptions. The Company is also required to maintain a Consolidated Interest Coverage Ratio of at least 3.0 to 1.0 and a Consolidated Net Leverage Ratio of no more than 3.75 to 1.0, each as of the last day of any fiscal quarter.

The 2013 Senior Credit Facility also contains customary representations and warranties and events of default, subject to customary grace periods.

The 2013 Senior Credit Facility is scheduled to mature on September 25, 2018. However, the maturity date will accelerate, resulting in the acceleration of any unamortized deferred financing costs, to October 16, 2015, if on that date any of the Company's 6.125% notes due January 15, 2016 remains outstanding and the Company has not delivered to the Administrative Agent a certificate demonstrating that, after giving pro forma effect to the repayment in cash in full on that date of all of the 6.125% notes that remain outstanding, the amount the Company would be permitted to draw under the 2013 Senior Credit Facility, together with the aggregate consolidated amount of unrestricted cash and cash equivalents of the Company, would exceed $200.0 million. While there can be no assurance, the Company currently believes that if any of the 6.125% notes remains outstanding on October 16, 2015, the amount the Company would be permitted to draw under the 2013 Senior Credit Facility, together with the aggregate consolidated amount of the Company’s unrestricted cash and cash equivalents, would exceed $200.0 million on October 16, 2015.

As of March 29, 2014, the amount utilized under the 2013 Senior Credit Facility was $83.5 million resulting in a total of $916.5 million available under the 2013 Senior Credit Facility. The amount utilized included $35.8 million of borrowings and $47.7 million of standby letters of credit related to various insurance contracts and foreign vendor commitments. The Company considers outstanding borrowings under its commercial paper program to be a reduction of the available capacity on its 2013 Senior Credit Facility.

Senior Notes

On January 31, 2013, the Company issued $600.0 million aggregate principal amount of 3.85% Senior Notes due February 1, 2023. The Company paid financing costs of $6.0 million in connection with the 3.85% Senior Notes. These costs were deferred and are being amortized over the term of the 3.85% Senior Notes.

On January 17, 2006, the Company issued $900.0 million aggregate principal amount of 6.125% notes due January 15, 2016. Interest payable on these notes is subject to adjustment if either Moody’s or S&P, or both, upgrades or downgrades the rating assigned to the Company. Each rating agency downgrade results in a 0.25% increase in the interest rate, subject to a maximum increase of 1% per rating agency. If later the rating of these notes improves, then the interest rates would be reduced accordingly. Each 0.25% increase in the interest rate of these notes would increase the Company’s interest expense by approximately $0.1 million per quarter per $100.0 million of outstanding notes. The current rate in effect is 6.125%. Any future downgrades in the Company’s credit ratings could increase the cost of its existing credit and adversely affect the cost of and ability to obtain additional credit in the future.

Accounts Receivable Securitization

On December 19, 2012, the Company entered into a three-year on-balance sheet trade accounts receivable securitization agreement (the "Securitization Facility"). The Securitization Facility allows the Company to borrow up to $300.0 million based on available accounts receivable and is secured by the Company's U.S. trade accounts receivable. Borrowings under the Securitization Facility bear interest at commercial paper interest rates, in the case of lenders that are commercial paper conduits, or LIBOR, in the case of lenders that are not commercial paper conduits, in each case, plus an applicable margin of 0.75% per annum. The Company also pays a commitment fee at a per annum rate of 0.30% on the unused amount of each lender's commitment. At March 29, 2014, the amount utilized under the Securitization Facility was $300.0 million.

In connection with the acquisition of Marazzi, the Company became a party to an off-balance sheet accounts receivable securitization facility ("Marazzi Securitization Facility") pursuant to which the Company services receivables sold to a third party. As of March 29, 2014, the amounts utilized under the Marazzi Securitization Facility was €5.5 million. The Company is in the process of terminating this facility.

The Company may continue, from time to time, to retire its outstanding debt through cash purchases in the open market, privately negotiated transactions or otherwise. Such repurchases, if any, will depend on prevailing market conditions, the Company’s liquidity requirements, contractual restrictions and other factors. The amount involved may be material.

As of March 29, 2014, the Company had cash of $72.6 million, of which $40.0 million was held outside the United States. While the Company's plans are to permanently reinvest the cash held outside the United States, the estimated cost of repatriation for the cash as of March 29, 2014 was approximately $14.0 million. The Company believes that its cash and cash equivalents on hand, cash generated from operations and availability under its 2013 Senior Credit Facility will be sufficient to meet its capital expenditure, working capital and debt servicing requirements over the next twelve months.

Contractual Obligations

There have been no significant changes to the Company's contractual obligations as disclosed in the Company's 2013 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 2013 Annual Report filed on Form 10-K.

Impact of Inflation

Inflation affects the Company's manufacturing costs, distribution costs and operating expenses. The Company expects raw material prices, many of which are petroleum based, to fluctuate based upon worldwide supply and demand of commodities utilized in the Company's production processes. Although the Company attempts to pass on increases in raw material, energy and fuel-related costs to its customers, the Company's ability to do so is dependent upon the rate and magnitude of any increase, competitive pressures and market conditions for the Company's products. There have been in the past, and may be in the future, periods of time during which increases in these costs cannot be fully recovered. In the past, the Company has often been able to enhance productivity and develop new product innovations 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 Carpet and Ceramic segments, its results of operations for the first quarter tend to be the weakest followed by the fourth quarter. The second and third quarters typically produce higher net sales and operating income in these segments. These results are primarily due to consumer residential spending patterns which have historically decreased during the holiday season and the first two months following. The Laminate and Wood segment's second quarter typically produces the highest net sales and earnings followed by a moderate third and fourth quarter and a weaker first quarter.

Forward-Looking Information

Certain of the statements in this Form 10-Q, particularly those anticipating future performance, business prospects, growth and operating strategies, and similar matters, and those that include the words "could," "should," "believes," "anticipates," "expects" and "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 economic or industry conditions; competition; inflation in raw material prices and other input costs; energy costs and supply; timing and level of capital expenditures; timing and implementation of price increases for the Company's products; impairment charges; integration of acquisitions; international operations; introduction of new products; rationalization of operations; tax, product and other claims; litigation; and other risks identified in Mohawk's SEC reports and public announcements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

As of March 29, 2014, approximately 61% of the Company's debt portfolio was comprised of fixed-rate debt and 39% was floating-rate debt. A 1.0 percentage point change in the interest rate of the floating-rate debt would not have a material impact on the Company's results of operations. There have been no other significant changes to the Company's exposure to market risk as disclosed in the Company's 2013 Annual Report filed on Form 10-K.

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), which have been designed to provide reasonable assurance that such controls and procedures will meet their objectives, 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 at a reasonable assurance level 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.

Beginning in August 2010, a series of civil lawsuits were initiated in several U.S. federal courts alleging that certain manufacturers of polyurethane foam products and competitors of the Company's carpet underlay division had engaged in price fixing in violation of U.S. antitrust laws. The Company has been named as a defendant in a number of the individual cases (the first filed on August 26, 2010), as well as in two consolidated amended class action complaints (the first filed on February 28, 2011) on behalf of a class of all direct purchasers of polyurethane foam products, and the second filed on March 21, 2011, on behalf of a class of indirect purchasers. All pending cases in which the Company has been named as a defendant have been filed in or transferred to the U.S. District Court for the Northern District of Ohio for consolidated pre-trial proceedings under the name *In re: Polyurethane Foam Antitrust Litigation*, Case No. 1:10-MDL-02196.

In these actions, the plaintiffs, on behalf of themselves and/or a class of purchasers, seek three times the amount of unspecified damages allegedly suffered as a result of alleged overcharges in the price of polyurethane foam products from at least 1999 to the present. Each plaintiff also seeks attorney fees, pre-judgment and post-judgment interest, court costs, and injunctive relief against future violations. In April 2011, the Company filed a motion to dismiss the class action claims brought by the direct purchasers, and in May 2011, the Company moved to dismiss the claims brought by the indirect purchasers. On July 19, 2011, the Court denied all defendants' motions to dismiss. On April 9, 2014, the Court certified the direct and indirect purchaser classes. The Company expects to appeal the certification order.

In December 2011, the Company was named as a defendant in a Canadian Class action, *Hi! Neighbor Floor Covering Co. Limited v. Hickory Springs Manufacturing Company, et al*., filed in the Superior Court of Justice of Ontario, Canada and *Options Consommateures v. Vitafoam, Inc. et.al.*, filed in the Superior Court of Justice of Quebec, Montreal, Canada, both of which allege similar claims against the Company as raised in the U.S. actions and seek unspecified damages and punitive damages. The Company denies all of the allegations in these actions and will vigorously defend itself.

The Company believes that adequate provisions for resolution of all contingencies, claims and pending litigation have been made for probable losses that are reasonably estimable. These contingencies are subject to significant uncertainties and we are unable to estimate the amount or range of loss, if any, in excess of amounts accrued. The Company does not believe that the ultimate outcome of these actions will have a material adverse effect on its financial condition but could have a material adverse effect on its results of operations, cash flows or liquidity in a given quarter or year.

Item 1A. Risk Factors

There have been no material changes in the Company's risk factors from those disclosed in Part I, Item 1A to our Annual Report on Form 10-K for the year ended December 31, 2013. The risk factors disclosed in our Annual Report on Form 10-K, in addition to the other information set forth in this report, could materially affect our business, financial condition or results.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

No.	Description
10.1	Amendment No. 2 to Credit Agreement dated as of March 11, 2014 by and among the Company and certain of its subsidiaries, as Borrowers, Wells Fargo Bank, N.A., as Administrative Agent, Swing Line Lender and an L/C Issuer, and the other lenders party thereto.
10.2	Service Agreement dated March 11, 2014, by and between Unilin Industries BVBA and Comm. V. "Bernard Thiers".
10.3	Service Agreement dated March 11, 2014, by and between Unilin Industries BVBA and BVBA "F. De Cock Management".
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.
101.INS	XBRL Instance Document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.

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 5, 2014	By:	/s/ Jeffrey S. Lorberbaum
			JEFFREY S. LORBERBAUM Chairman and Chief Executive Officer (principal executive officer)
Dated:	May 5, 2014	By:	/s/ Frank H. Boykin
			FRANK H. BOYKIN Chief Financial Officer (principal financial officer)

EXHIBIT 10.1

AMENDMENT NO. 2 TO CREDIT AGREEMENT

This AMENDMENT NO. 2 TO CREDIT AGREEMENT (this "Amendment"), dated as of March 11, 2014, is entered into by and among MOHAWK INDUSTRIES, INC., a Delaware corporation (the "Company"), ALADDIN MANUFACTURING CORPORATION, a Delaware corporation ("Aladdin"), DAL-TILE DISTRIBUTION, INC., a Delaware corporation ("Dal-Tile"), MOHAWK UNITED INTERNATIONAL B.V., a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid*) incorporated under the laws of the Netherlands, having its official seat (statutaire zetel) in Oisterwijk, the Netherlands and its office at Beneluxstraat 1 (5061 KD) Oisterwijk, the Netherlands, and registered with the Trade Register of the Chambers of Commerce under number 17229715 (" Mohawk BV"), MOHAWK FOREIGN HOLDINGS S.À R.L., a company organized and existing under the laws of Luxembourg as a *société à responsibilité limitée* ("Mohawk Foreign"), MOHAWK INTERNATIONAL HOLDINGS S.À R.L., a company organized and existing under the laws of Luxembourg as a *société à responsibilité limitée* ("Mohawk International"), MOHAWK FOREIGN FUNDING S.À R.L., a company organized and existing under the laws of Luxembourg as a *société à responsibilité limitée* ("Mohawk Funding"), UNILIN BVBA, a private limited liability company (*besloten vennootschap met beperkte aansprakelijkheid)* organized under the laws of Belgium ("Unilin", and collectively with the Company, Aladdin, Dal-Tile, Mohawk BV, Mohawk Foreign, Mohawk International and Mohawk Funding, the "Borrowers"), each Lender party hereto and WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, Swing Line Lender and an L/C Issuer.

RECITALS

WHEREAS, the Borrowers, the Lenders and the Administrative Agent are parties to the Credit Agreement, dated as of September 25, 2013 and as amended as of October 10, 2013, (the "Credit Agreement", and as amended by this Amendment, the "Amended Credit Agreement"), pursuant to which the Lenders have extended a revolving credit facility to the Borrowers; and

WHEREAS, the Borrowers have requested that the Administrative Agent and the Lenders signatory hereto agree to certain amendments to the Credit Agreement as provided herein, and the Administrative Agent and each of the undersigned Lenders have agreed to such requests, subject to the terms and conditions of this Amendment.

NOW, THEREFORE, for valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto hereby agree as follows:

1. Defined Terms. Unless otherwise defined herein, capitalized terms used herein shall have the meanings, if any, assigned to such terms in the Amended Credit Agreement.

2. Amendment to Credit Agreement. Effective as of the date hereof but subject to the satisfaction of the conditions precedent set forth in Section 4 below, Section 4.02(a) of the Credit Agreement is amended by inserting the text "(other than the representations and warranties in Section 5.05(c) and Section 5.06(b))" immediately after the text "contained in Article V" appearing in clause (i) of such section.

3. Representations and Warranties. The Borrowers and the Guarantors hereby represent and warrant to the Administrative Agent and the Lenders as follows:

(a) no Default has occurred and is continuing, or would result from this Amendment;

(b) the execution, delivery and performance by the Borrowers of this Amendment have been duly authorized by all necessary corporate and other action and do not and will not require any registration with, consent or approval of, or notice to or action by, any Person (including any Governmental Authority) in order to be effective and enforceable;

(c) this Amendment constitutes the legal, valid and binding obligations of each Borrower, enforceable against it in accordance with its terms, without defense, counterclaim or offset; and

(d) both before and immediately after giving effect to this Amendment, the representations and warranties contained in Article V of the Amended Credit Agreement (with each reference therein to "this Agreement", "hereunder", "Loan Document" and words of like import referring to the Credit Agreement being deemed to be a reference to the Amended Credit Agreement) are true and correct in all material respects (or, if qualified by materiality or Material Adverse Effect, in all respects) on and as of the date hereof, except to the extent that such representations and warranties specifically refer to an earlier date, in which case they are true and correct as of such earlier date, and except that the representations and warranties contained in subsections (a) and (b) of Section 5.05 of the Amended Credit Agreement shall be deemed to refer to the most recent statements furnished pursuant to subsections (a) and (b), respectively, of Section 6.01 of the Amended Credit Agreement.

4. Conditions to Effectiveness.

(a) This Amendment will become effective as of the date hereof when and if each of the following conditions has been satisfied:

(i) the Administrative Agent shall have received counterparts of this Amendment duly executed by the Borrowers, the L/C Issuers, the Swing Line Lender and Lenders constituting Required Lenders; and

(ii) unless waived by the Administrative Agent, the Company shall have paid all fees, charges and disbursements of counsel to the Administrative Agent (directly to such counsel if requested by the Administrative Agent) to the extent invoiced at least two (2) Business Days prior to or on the date hereof, plus such additional amounts of such fees, charges and disbursements as shall constitute its reasonable estimate of such fees, charges and disbursements incurred or to be incurred by it through the closing proceedings (provided that such estimate shall not thereafter preclude a final settling of accounts between the Company and the Administrative Agent).

(b) For purposes of determining compliance with the conditions specified in this Section 4, each Lender that has executed this Amendment and delivered it to the Administrative Agent shall be deemed to have consented to, approved or accepted, or to be satisfied with, each document or other matter required under Section 4 to be consented to or approved by or acceptable or satisfactory to such Lender unless the Administrative Agent shall have received notice from such Lender prior to the proposed date of this Amendment specifying its objection thereto.

(c) From and after the date hereof, the Credit Agreement is amended as set forth herein. Except as expressly amended pursuant hereto, the Credit Agreement shall remain unchanged and in full force and effect and is hereby ratified and confirmed in all respects.

(d) The Administrative Agent will notify the Company and the Lenders of the occurrence of the effectiveness of this Amendment.

5. Miscellaneous.

(a) Except as herein expressly amended, all terms, covenants and provisions of the Credit Agreement and each other Loan Document are and shall remain in full force and effect. Upon the effectiveness of this Amendment, each reference in the Credit Agreement to "this Agreement", "hereunder", "hereof" or words of like import referring to the Credit Agreement, and each reference in the other Loan Documents to "the Credit Agreement", "thereunder", "thereof" or words of like import referring to the Credit Agreement, shall mean and be a reference to the Amended Credit Agreement. This Amendment shall be deemed incorporated into, and a part of, the Credit Agreement.

(b) This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns under the Loan Documents.

(c) THIS AMENDMENT IS SUBJECT TO THE PROVISIONS OF SECTIONS 10.14 AND 10.15 OF THE AMENDED CREDIT AGREEMENT RELATING TO GOVERNING LAW, VENUE AND WAIVER OF RIGHT TO TRIAL BY JURY, THI PROVISIONS OF WHICH ARE BY THIS REFERENCE INCORPORATED HEREIN IN FULL.

(d) This Amendment may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. This Amendment and the other Loan Documents constitute the entire contract among the parties relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Except as provided in Section 4, this Amendment shall become effective when it shall have been executed by the Administrative Agent and when the Administrative Agent shall have received counterparts hereof that, when taken together, bear the signatures of each of the other parties required to be a party hereto. Delivery of an executed counterpart of a signature page of this Amendment by telecopy or other electronic imaging means shall be effective as delivery of a manually executed counterpart of this Amendment. This Amendment may not be amended except in accordance with the provisions of Section 10.01 of the Amended Credit Agreement.

(e) If any provision of this Amendment or the other Loan Documents is held to be illegal, invalid or unenforceable, (i) the legality, validity and enforceability of the remaining provisions of this Amendment and the other Loan Documents shall not be affected or impaired thereby and (ii) the parties shall endeavor in good faith negotiations to replace the illegal, invalid or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the illegal, invalid or unenforceable provisions. The invalidity of a provision in a particular jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

(f) The Company agrees to pay in accordance with Section 10.04 of the Credit Agreement all reasonable out of pocket expenses actually incurred by the Administrative Agent and its Affiliates in connection with the preparation, execution, delivery, administration of this Amendment and the other instruments and documents to be delivered hereunder, including, without limitation, the reasonable and documented fees, charges and disbursements of counsel to the Administrative Agent with respect thereto and with respect to advising the Administrative Agent as to its rights and responsibilities hereunder and thereunder.

(g) This Amendment shall constitute a "Loan Document" under and as defined in the Amended Credit Agreement.

[Signature Pages Follow]

XIN WITNESS WHEREOF, the parties hereto have caused this Amendment No. 2 to Credit Agreement to be duly executed as of the date first above written.

MOHAWK INDUSTRIES, INC.

By: /s/Shailesh Bettadapur
Name: Shailesh Bettadapur
Title: Treasurer and Vice President

ALADDIN MANUFACTURING CORPORATION

By: /s/Shailesh Bettadapur
Name: Shailesh Bettadapur
Title: Treasurer and Vice President

DAL-TILE DISTRIBUTION, INC.

By: /s/Shailesh Bettadapur
Name: Shailesh Bettadapur
Title: Treasurer and Vice President

MOHAWK UNITED INTERNATIONAL B.V.

By: /s/Shailesh Bettadapur
Name: Shailesh Bettadapur
Title: Attorney

MOHAWK FOREIGN HOLDINGS S.À R.L.

By: /s/Shailesh Bettadapur
Name: Shailesh Bettadapur
Title: Authorized Representative

MOHAWK INTERNATIONAL HOLDINGS S.À R.L.

By: /s/Shailesh Bettadapur
Name: Shailesh Bettadapur
Title: Authorized Representative

UNILIN BVBA

By: /s/Shailesh Bettadapur
Name: Shailesh Bettadapur
Title: Attorney

MOHAWK FOREIGN FUNDING S.À R.L.

By: /s/Shailesh Bettadapur
Name: Shailesh Bettadapur
Title: Authorized Representative

WELLS FARGO BANK, NATIONAL ASSOCIATION, as Administrative Agent, as Swing Line Lender, as an L/C Issuer and as a Lender

By: /s/ Kay Reedy
Name: Kay Reedy
Title: Managing Director

BANK OF AMERICA, N.A., as an L/C Issuer and as a Lender

By: /s/ David McCauley
Name: David McCauley
Title: Senior Vice President

JPMORGAN CHASE BANK, N.A., as an L/C Issuer and as a Lender

By: /s/ John A. Horst
Name: John A. Horst
Title: Credit Executive

SUNTRUST BANK, as a Lender

By: /s/ Vinay Desai
Name: Vinay Desai
Title: Vice President

BARCLAYS BANK PLC, as a Lender

By: /s/ Irina Dimova
Name: Irina Dimova
Title: Vice President

MIZUHO BANK, LTD, as a Lender

By: /s/ David Lim
Name: David Lim
Title: Authorized Signatory

REGIONS BANK, as a Lender

By: /s/ Donald Q. Dalton
Name: Donald Q. Dalton
Title: Executive Vice President

THE BANK OF TOKYO-MITSUBISHI UFJ, LTD., as a Lender

By: /s/ Belinda Tucker
Name: Belinda Tucker
Title: Managing Director

US BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Steven Dixon
Name: Steven Dixon
Title: Vice President

BRANCH BANKING AND TRUST COMPANY, as a Lender

By: /s/ Bradley B. Sands
Name: Bradley B. Sands
Title: Assistant Vice President

CREDIT AGRICOLE CORPORATE AND INVESTMENT BANK, as a Lender

By: /s/ Blake Wright
Name: Blake Wright
Title: Managing Director

By: /s/ James Austin
Name: James Austin
Title: Vice President

FIFTH THIRD BANK, as a Lender

By: /s/ Kenneth W. Deere
Name: Kenneth W. Deere
Title: Senior Vice President

HSBC BANK USA, N.A., as a Lender

By: /s/ Jaron R. Campbell
Name: Jaron R. Campbell
Title: SVP, Large Corporate Banking

PNC BANK, NATIONAL ASSOCIATION, as a Lender

By: /s/ Susan J. Dimmick
Name: Susan J. Dimmick
Title: Senior Vice President

SYNOVUS BANK, as a Lender

By: /s/ John R. Frierson
Name: John R. Frierson
Title: Vice President

EXHIBIT 10.2

SERVICE AGREEMENT

BETWEEN: **UNILIN INDUSTRIES BVBA** with registered office at B-8710 Wielsbeke, Belgium, Ooigemstraat 3 hereinafter referred to as "the Company";

AND: **BVBA "F. De Cock Management"**, with registered office at B-8300 Knokke-Heist, Belgium, Zeedijk 831 bus 25, hereinafter referred to as "the Service Provider".

PREAMBLE

Whereas, the Service Provider explains that it has the necessary skills and expertise, and is allowed under applicable laws, to provide services in connection with the management of commercial companies, and

Whereas, in view of the fact that the Company needs the above-mentioned services to support the Company, of the experience of the Service Provider and its wish to provide said services with maintenance of its independence, the Parties have chosen to enter into the present service agreement (the Service Agreement), and

Whereas, the Service Provider can also be appointed member of the Management Committee of the Company, if any; and

Whereas, the parties wish to specify the terms and conditions of their collaboration:

IT HAS BEEN AGREED AS FOLLOWS:

1 Object

1.1 The Service Provider shall provide all necessary and appropriate services (hereinafter the Services) concerning (i) assisting in the transition of the management of the Laminate and Wood segment to a new management team, (ii) providing advice and support regarding various Laminate and Wood segment issues as they may arise, (iii) providing advice and support to Laminate and Wood segment regarding strategic matters and transactions and (iv) responding to issues and questions as they arise.

1.2 The Service Provider shall perform the Services with the diligence, loyalty, seriousness and competence that the Company is entitled to expect from an experienced specialist in this position. The Service Provider shall comply with the general guidelines and policy of the Company. The Service Provider is bound by an obligation of best result.

1.3 Taking into account the skills, reputation, expertise and capabilities of Mr. Frans De Cock, being director / manager of the Service Provider, it has been agreed that Mr. De Cock will render the services on behalf of the Service Provider at least 2.5 days per week. It being understood that Mr. De Cock may be replaced at any time by the Service Provider to the extent the replacement provides the same level of skills, reputation, expertise and capabilities as mutually agreed upon by the parties.

1.4 The Company will grant the Service Provider all powers necessary to execute the Services in a good manner.

1.5 Moreover, the Service Provider can be appointed as a member of the Management Committee of the Company, if any.

2 **Duration**

2.1 The present agreement is concluded for a definite duration commencing on the execution date and expiring on December 31, 2018 but is automatically renewed for 1 year except if one of both parties give notice in line with 2.2 hereunder.

2.2 The present agreement can be terminated at any time by the Company and by the Service Provider upon notice of 3 (three) months. Notice shall be given by registered mail.

2.3 This contract may, immediately and without notice or indemnity, be terminated for serious cause by each party.

Will be considered a serious cause entitling each party to terminate the present agreement without any indemnity:

(i) the commission of a criminal offence;

(ii) fraud or embezzlement;

(iii) the failure to comply with or the breach of any of the material terms and conditions of the present agreement and/or the Company's subsidiaries' or branch offices' policies within thirty(30) days after written notification of such non- compliance if such failures or breaches are capable of remedy. If the default or breach is not capable of remedy, the present agreement can be terminated without prior notification;

(iv) the willful or gross neglect of the duties under the present agreement and/or the willful or gross misconduct in the performance of such duties.

3 **Fees**

3.1 The Services as described above are compensated by the Company on the basis of a basic lump sum amount of EUR 265,679 (excl. VAT) per annum, which amount may be subsequently modified by the parties upon mutual agreement (hereinafter the "Annual Fee"). The Annual Fee, initially, shall consist of a base amount of EUR 253,547 ("Base Amount") and a retainer amount of EUR 12,132 ("Retainer"). Said Annual Fee has been determined based on an expected average volume of work corresponding to 2.5 days per week.

3.2 An advanced payment representing 1/12 of the Annual Fee shall be paid each month into the bank account of the Service Provider, against remittance of a detailed monthly invoice which meets all applicable legal & tax requirements and is payable within 15 days from the date of issuance.

3.3 In addition to the Annual Fee as set forth in 3.1 and subject to approval of the Compensation Committee of the Board of Directors of Mohawk Industries, Inc., the Service Provider shall be eligible to receive an annual bonus ranging from 0 to 85% of the Base Amount of the year concerned.

3.4 In addition to the above mentioned fees, the Service Provider is eligible to receive up to 2,000 RSUs in Mohawk stock per year, subject to Compensation Committee approval.

3.5 The Service provider shall not be entitled to any other compensation or benefits other than those set forth under sections 3.1, 3.2, 3.3 and 3.4 above.

4 **Reimbursement of business expenses**

All reasonable business expenses incurred by the Service Provider exclusively in the performance and for the purposes of its duties will be borne by the Company and reimbursed to the Service Provider by means of the above mentioned monthly invoices or separated invoices provided that supporting evidences are remitted, provided the Company's approval with respect to the type of expenses.

5 **Independence**

5.1 The Service Provider shall act on an independent basis with the Company.

To the extent the Company gives instructions to the directors, managers, representatives, officers or employees of the Service Provider entrusted with the performance of the Services on behalf of the Service Provider, such instructions would be strictly limited to the well-being of workers in the performance of their work, working time and the agreed work arising from the Services. The Company can otherwise in no way exercise authority over the directors, representatives, officers or employees of the Service Provider.

5.2 Without prejudice to its obligation to perform the management of the Company's subsidiaries or branch offices in good faith, the Service Provider shall freely determine its work organization, work agenda and vacation arrangements with full respect for the needs of the business.

5.3 All documents and correspondences between the Company and the Service Provider must be considered as necessary tools to enable the parties to execute their tasks according to their obligations. These documents can in no way be interpreted as an indication of any relationship of authority towards the directors, representatives, officers or employees of the Service Provider.

5.4 The Service Provider, its directors, managers, representatives, employees, officers, etc. are entirely responsible for complying with all statutory and legal requirements (including, but without limiting the general nature of the foregoing, paying taxes and social security contributions) and will indemnify and agree to keep indemnified in full the Company in respect of any claims that may be made by the relevant authorities against the Company in respect of social security contributions and/or income tax in relation to any payment made pursuant to this Service Agreement.

6 Confidentiality

6.1 The Service Provider acknowledges and agrees that any information disclosed to the Service Provider or its directors, managers, officers or employees by the Company in relation with the present agreement and/or the Service Provider' duties is confidential. The Service Provider also acknowledges and accepts that any such information will be treated and held in strict confidence and not used by the Service Provider nor revealed in any way whatsoever, either directly or indirectly, to any third parties during the course of the present agreement or after its termination.

6.2 The Service Provider acknowledges and agrees that any information the Service Provider its directors, managers, officers, representatives or employees develop under or as a result of the performance of his duties is confidential and that any such information will be held in strict confidence and not revealed in any way whatsoever, either directly or indirectly, to any third parties.

6.3 The confidentiality undertakings of articles 6.2 and 6.3 will end when the confidential information falls in the public domain, without fault of the Service Provider or its directors, managers, officers or employees.

6.4 The Service Provider must not make any publicity or media releases in the framework of the present agreement, using the name of the Company, without its prior written consent.

7 Return of property

7.1 All records, files, memoranda, reports, price lists, customer lists, drawings, plans, sketches, documents and the like (together with all copies thereof) relating to the business of the Company and all other property of the Company related to the Service Provider' duties (including but not limited to documents, notes, memoranda, floppy disks, computer programs, reports, software and all other information and data), which the Service Provider or directors, managers, officers or employees uses or prepares or comes in contact with in the course of executing this agreement remains, as between the Parties to the present agreement, the sole property of the Company.

7.2 Upon the termination of the present agreement (however caused), the Service Provider will immediately return to the Company all the Company's property in its possession or under its control without keeping copies of such items or passing them (or the copies) to any third party, whatever the importance of it may be.

8 Exclusivity and non-competition

8.1 The Service Provider explicitly agrees and undertakes that it shall not, except with the prior written consent of the Company, whether directly or indirectly, whether remunerated or not, for a period of 2 (two) years following the termination of the present agreement by the Company or by itself and for whatsoever reason:

(i) engage itself or through a third party, be employed by, consult for, have an interest in or in any way assist any person or company directly or indirectly engaged in the business of the Company or any related activities;

(ii) solicit or endeavour to entice away from or discourage from being employed by the Company any Manager or client of the Company, its subsidiaries or branch offices, whether or not such person would commit a breach of contract by reason of leaving employment.

(iii) canvass or solicit the custom of or deal with or provide services to any person, firm or company who at any time was client of or dealt with the course of providing the services, to the extent it relates to competing products.

The aforementioned obligations apply in all the countries in which the Laminate and Wood segment is active.

8.2 The Service Provider agrees that it will exclusively act in the interest of the Company and its shareholders.

9 **Intellectual property**

9.1 The Service Provider undertakes to inform the Company about any work, invention, discovery or improvement, patentable or protectable by any other intellectual right, including copyright or not, which it may create, design or produce, either alone or in conjunction with others, including but not limited to all documents, drawings, plants, designs and models, printed circuit boards, software programs and semi-conductor chips and related documentation, in the course of his employment or relating to, or which is likely to become connected with, any matter whatsoever constituting or which might constitute a Company's activity, or which has been or may be investigated by the latter.

9.2 The Service Provider agrees that such work, inventions, discoveries or improvements belong exclusively to the Company and hereby assigns and transfers any and all right including the copyright therein to the Company. The Service Provider shall refrain from any act which would infringe the Company's rights, shall execute and deliver all documents or statements necessary to implement such assignment or transfer and shall not register any patent relating to these inventions without the approval of the Company.

9.3 The Service Provider acknowledges that such assignment and transfer of rights are adequately compensated by the remuneration as provided in the present agreement.

10 **Contractual provisions**

10.1 The nullity or the enforceability of the present agreement does not affect the validity and the enforceability of the other provisions, unless this would upset the balance between the reciprocal rights and obligations of the parties.

10.2 In such case, the parties will add one or more new provisions to the agreement in order to achieve, as much as possible, the same or a similar result.

11 Varia

11.1 The Service Provider shall procure that each company under his control, its directors, managers, officers, representatives or employees and former directors, managers, officers, representatives or employees comply with the obligations imposed on the Service Provider under articles 6, 7, 8, 9 and 12 above.

12 Applicable law and jurisdiction

12.1 The present agreement shall be governed by and being interpreted according to Belgian law.

12.2 In case of dispute arising from or further to the present agreement, the courts or Kortrijk will be exclusively competent.

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13 **Prior agreements**

The present agreement supersedes any and all prior agreements, whether oral or in writing, that possibly could have existed between the concerned parties with respect to the same object and can only be modified by means of a written agreement between all parties.

Done at Wielsbeke, on March 11, 2014, in two original copies, each party acknowledging having received on original copy duly signed.

For the Company
[read and approved]

/s/ R. David Patton
R. David Patton

/s/ Frank H. Boykin
Frank H. Boykin

The Service Provider
[read and approved]

/s/ Frans G. De Cock
Frans G. De Cock

EXHIBIT 10.3

SERVICE AGREEMENT

BETWEEN: **UNILIN INDUSTRIES BVBA** with registered office at B-8710 Wielsbeke-Belgium, Ooigemstraat 3 hereinafter referred to as "the Company";

AND:

Comm. V. "Bernard Thiers", with a registered office at B-9700 Eine-Belgium, Nestor de Tièrestraat 128 hereinafter referred to as "the Service Provider".

PREAMBLE

Whereas, the Service Provider explains that it has the necessary skills and expertise, and is allowed under applicable laws, to provide services in connection with the management of commercial companies, and

Whereas, in view of the fact that the Company needs the above-mentioned services to support the Company, of the experience of the Service Provider and its wish to provide said services with maintenance of its independence, the Parties have chosen to enter into the present service agreement (the Service Agreement), and

Whereas, the Service Provider can also be appointed member of the Management Committee of the Company, if any; and

Whereas, the parties wish to specify the terms and conditions of their collaboration:

IT HAS BEEN AGREED AS FOLLOWS:

1 **Object**

1.1 The Service Provider shall provide all necessary and appropriate services (hereinafter the Services) concerning (i) daily management of the Company as President-Unilin, (ii) strategy definition, (iii) build a new executive management team, (iv) succession planning for executives and (v) providing advice and support to Laminate and Wood segment.

1.2 The Service Provider shall perform the Services with the diligence, loyalty, seriousness and competence that the Company is entitled to expect from an experienced specialist in this position. The Service Provider shall comply with the general guidelines and policy of the Company. The Service Provider is bound by an obligation of best result.

1.3 Taking into account the skills, reputation, expertise and capabilities of Mr. Bernard Thiers, being director / manager of the Service Provider, it has been agreed that Mr. Bernard Thiers will render the services on behalf of the Service Provider at least 5 days per week. It being understood that Mr.

Thiers may be replaced at any time by the Service Provider to the extent the replacement provides the same level of skills, reputation, expertise and capabilities as mutually agreed upon by the parties.

1.4 The Company will grant the Service Provider all powers necessary to execute the Services in a good manner.

1.5 Moreover, the Service Provider can be appointed as a member of the Management Committee of the Company, if any.

2 **Duration**

2.1 The present agreement is concluded for a definite duration commencing on the execution date and automatically expiring on December 31, 2018 After expiration of the aforementioned period, parties can renew the agreement for indefinite duration upon mutual agreement.

2.2 The present agreement can be terminated at any time by the Company upon notice of 22 (twenty two) months. Notice shall be given by registered mail. However, the Company can also terminate the present agreement at any time by payment of a lump sum allowance equal to the Base Amount (as defined below) multiplied by 1.85. The present agreement can be terminated at any time by the Service Provider upon notice of 6 (six) months.

2.3 This contract may, immediately and without notice or indemnity, be terminated for serious cause by each party.

Will be considered a serious cause entitling each party to terminate the present agreement without any indemnity:

(i) the commission of a criminal offence;

(ii) fraud or embezzlement;

(iii) the failure to comply with or the breach of any of the material terms and conditions of the present agreement and/or the Company's subsidiaries' or branch offices' policies within thirty(30) days after written notification of such non- compliance if such failures or breaches are capable of remedy. If the default or breach is not capable of remedy, the present agreement can be terminated without prior notification;

(iv) the willful or gross neglect of the duties under the present agreement and/or the willful or gross misconduct in the performance of such duties.

3 **Fees**

3.1 The Services as described above are compensated by the Company on the basis of a basic lump sum amount of EUR 544,294 (excl. VAT) per annum, which amount may be subsequently modified by the parties upon mutual agreement (hereinafter the "Annual Fee"). The Annual Fee, initially, shall consist of a base amount of EUR 507,094 ("Base Amount") and a retainer amount of EUR 37,200 ("Retainer"). Said Annual Fee has been determined based on an expected average volume of work corresponding to 5 days per week.

3.2 An advanced payment representing 1/12 of the Annual Fee shall be paid each month into the bank account of the Service Provider, against remittance of a detailed monthly invoice which meets all applicable legal & tax requirements and is payable within 15 days from the date of issuance.

3.3 In addition to the Annual Fee as set forth in 3.1 and subject to approval of the Compensation Committee of the Board of Directors of Mohawk Industries, Inc., the Service Provider shall be eligible to receive an annual bonus ranging from 0 to 115% of the Base Amount of the year concerned.

3.4 The Service provider shall not be entitled to any other compensation or benefits other than those set forth under sections 3.1, 3.2 and 3.3 above.

4 **Reimbursement of business expenses**

All reasonable business expenses incurred by the Service Provider exclusively in the performance and for the purposes of its duties will be borne by the Company and reimbursed to the Service Provider by means of the above mentioned monthly invoices or separated invoices provided that supporting evidences are remitted, provided the Company's approval with respect to the type of expenses.

5 **Independence**

5.1 The Service Provider shall act on an independent basis with the Company.

To the extent the Company gives instructions to the directors, managers, representatives, officers or employees of the Service Provider entrusted with the performance of the Services on behalf of the Service Provider, such instructions would be strictly limited to the well-being of workers in the performance of their work, working time and the agreed work arising from the Services. The Company can otherwise in no way exercise authority over the directors, representatives, officers or employees of the Service Provider.

5.2 Without prejudice to its obligation to perform the management of the Company's subsidiaries or branch offices in good faith, the Service Provider shall freely determine its work organization, work agenda and vacation arrangements with full respect for the needs of the business.

5.3 All documents and correspondences between the Company and the Service Provider must be considered as necessary tools to enable the parties to execute their tasks according to their obligations. These documents can in no way be interpreted as an indication of any relationship of authority towards the directors, representatives, officers or employees of the Service Provider.

5.4 The Service Provider, its directors, managers, representatives, employees, officers, etc. are entirely responsible for complying with all statutory and legal requirements (including, but without limiting the general nature of the foregoing, paying taxes and social security contributions) and will indemnify and agree to keep indemnified in full the Company in respect of any claims that may be made by the relevant authorities against the Company in respect of social security contributions and/or income tax in relation to any payment made pursuant to this Service Agreement.

6 Confidentiality

6.1 The Service Provider acknowledges and agrees that any information disclosed to the Service Provider or its directors, managers, officers or employees by the Company in relation with the present agreement and/or the Service Provider' duties is confidential. The Service Provider also acknowledges and accepts that any such information will be treated and held in strict confidence and not used by the Service Provider nor revealed in any way whatsoever, either directly or indirectly, to any third parties during the course of the present agreement or after its termination.

6.2 The Service Provider acknowledges and agrees that any information the Service Provider its directors, managers, officers, representatives or employees develop under or as a result of the performance of his duties is confidential and that any such information will be held in strict confidence and not revealed in any way whatsoever, either directly or indirectly, to any third parties.

6.3 The confidentiality undertakings of articles 6.2 and 6.3 will end when the confidential information falls in the public domain, without fault of the Service Provider or its directors, managers, officers or employees.

6.4 The Service Provider must not make any publicity or media releases in the framework of the present agreement, using the name of the Company, without its prior written consent.

7 Return of property

7.1 All records, files, memoranda, reports, price lists, customer lists, drawings, plans, sketches, documents and the like (together with all copies thereof) relating to the business of the Company and all other property of the Company related to the Service Provider' duties (including but not limited to documents, notes, memoranda, floppy disks, computer programs, reports, software and all other information and data), which the Service Provider or directors, managers, officers or employees uses or prepares or comes in contact with in the course of executing this agreement remains, as between the Parties to the present agreement, the sole property of the Company.

7.2 Upon the termination of the present agreement (however caused), the Service Provider will immediately return to the Company all the Company's property in its possession or under its control without keeping copies of such items or passing them (or the copies) to any third party, whatever the importance of it may be.

8 Exclusivity and non-competition

8.1 The Service Provider explicitly agrees and undertakes that it shall not, except with the prior written consent of the Company, whether directly or indirectly, whether remunerated or not, for a period of 2 (two) years following the termination of the present agreement by the Company or by itself and for whatsoever reason:

(i) engage itself or through a third party, be employed by, consult for, have an interest in or in any way assist any person or company directly or indirectly engaged in the business of the Company or any related activities;

(ii) solicit or endeavour to entice away from or discourage from being employed by the Company any Manager or client of the Company, its subsidiaries or branch offices, whether or not such person would commit a breach of contract by reason of leaving employment.

(iii) canvass or solicit the custom of or deal with or provide services to any person, firm or company who at any time was client of or dealt with the course of providing the services, to the extent it relates to competing products.

The aforementioned obligations apply in all the countries in which the Laminate and wood segment is active.

8.2 The Service Provider agrees that it will exclusively act in the interest of the Company and its shareholders.

9 **Intellectual property**

9.1 The Service Provider undertakes to inform the Company about any work, invention, discovery or improvement, patentable or protectable by any other intellectual right, including copyright or not, which it may create, design or produce, either alone or in conjunction with others, including but not limited to all documents, drawings, plants, designs and models, printed circuit boards, software programs and semi-conductor chips and related documentation, in the course of his employment or relating to, or which is likely to become connected with, any matter whatsoever constituting or which might constitute a Company's activity, or which has been or may be investigated by the latter.

9.2 The Service Provider agrees that such work, inventions, discoveries or improvements belong exclusively to the Company and hereby assigns and transfers any and all right including the copyright therein to the Company. The Service Provider shall refrain from any act which would infringe the Company's rights, shall execute and deliver all documents or statements necessary to implement such assignment or transfer and shall not register any patent relating to these inventions without the approval of the Company.

9.3 The Service Provider acknowledges that such assignment and transfer of rights are adequately compensated by the remuneration as provided in the present agreement.

10 **Contractual provisions**

10.1 The nullity or the enforceability of the present agreement does not affect the validity and the enforceability of the other provisions, unless this would upset the balance between the reciprocal rights and obligations of the parties.

10.2 In such case, the parties will add one or more new provisions to the agreement in order to achieve, as much as possible, the same or a similar result.

11 Varia

11.1 The Service Provider shall procure that each company under his control, its directors, managers, officers, representatives or employees and former directors, managers, officers, representatives or employees comply with the obligations imposed on the Service Provider under articles 6, 7, 8, 9 and 12 above.

12 Applicable law and jurisdiction

12.1 The present agreement shall be governed by and being interpreted according to Belgian law.

12.2 In case of dispute arising from or further to the present agreement, the courts or Kortrijk will be exclusively competent.

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13 **Prior agreements**

The present agreement supersedes any and all prior agreements, whether oral or in writing, that possibly could have existed between the concerned parties with respect to the same object and can only be modified by means of a written agreement between all parties.

Done at Wielsbeke, on March 11, 2014 in two original copies, each party acknowledging having received on original copy duly signed.

For the Company
[read and approved]

/s/ R. David Patton
R. David Patton

/s/ Frank H. Boykin
Frank H. Boykin

The Service Provider
[read and approved]

/s/ Bernard P. Thiers
Bernard P. Thiers

EXHIBIT 31.1

CERTIFICATIONS

I, Jeffrey S. Lorberbaum, certify that:

1. I have reviewed this annual 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 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 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 5, 2014

/s/ Jeffrey S. Lorberbaum

Jeffrey S. Lorberbaum
Chairman and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, Frank H. Boykin, certify that:

1. I have reviewed this annual 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 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 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 5, 2014

/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 annual report of Mohawk Industries, Inc. (the "Company") on Form 10-Q for the period ended March 29, 2014 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey S. Lorberbaum, Chairman 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 and Chief Executive Officer

May 5, 2014

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 annual report of Mohawk Industries, Inc. (the "Company") on Form 10-Q for the period ended March 29, 2014 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 5, 2014