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

FORM 10-Q

[Mark One]

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

For the quarterly period ended April 3, 2004

OR

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

Commission File Number
01-19826

MOHAWK INDUSTRIES, INC.

(Exact name of registrant as specified in its charter)

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

P. O. Box 12069, 160 S. Industrial Blvd., Calhoun, Georgia	**30701**
(Address of principal executive offices)	**(Zip Code)**

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

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

Indicate by check mark whether the Registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes [x] No [ ]

The number of shares outstanding of the issuer's classes of capital stock as of May 10, 2004 the latest practicable date, is as follows: 66,777,219 shares of Common Stock, $.01 par value.

MOHAWK INDUSTRIES, INC.

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PART I. FINANCIAL INFORMATION

ITEM I. FINANCIAL STATEMENTS

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

ASSETS
(In thousands)
(Unaudited)

	April 3, 2004	December 31, 2003
Current assets:		
Receivables	$ 664,040	573,500
Inventories	897,470	832,415
Prepaid expenses	46,713	43,043
Deferred income taxes	84,260	84,260
Total current assets	1,692,483	1,533,218
Property, plant and equipment, at cost	1,747,298	1,735,490
Less accumulated depreciation and amortization	844,862	816,405
Net property, plant and equipment	902,436	919,085
Goodwill	1,368,749	1,368,700
Other intangible assets	324,434	325,339
Other assets	14,146	17,233
	$ 4,302,248	4,163,575

See accompanying notes to condensed consolidated financial statements.

MOHAWK INDUSTRIES, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

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

		April 3, 2004	December 31, 2003
Current liabilities:			
Current portion of long-term debt	$	236,088	248,795
Accounts payable and accrued expenses		713,242	637,940
Total current liabilities		949,330	886,735
Deferred income taxes		183,669	183,669
Long-term debt, less current portion		763,605	763,618
Other long-term liabilities		31,857	31,752
Total liabilities		1,928,461	1,865,774
Stockholders' equity:			
Preferred stock, $.01 par value; 60 shares authorized; no shares issued		-	-
Common stock, $.01 par value; 150,000 shares authorized; 77,266 and 76,422 shares issued in 2004 and 2003, respectively		772	770
Additional paid-in capital		1,046,952	1,035,733
Retained earnings		1,608,068	1,541,761
Accumulated other comprehensive income, net		499	2,313
		2,656,291	2,580,577
Less treasury stock at cost; 10,505 and 10,515 shares in 2004 and 2003, respectively		282,504	282,776
Total stockholders' equity		2,373,787	2,297,801
	$	4,302,248	4,163,575

See accompanying notes to condensed consolidated financial statements.

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

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

	Three Months Ended	
	April 3, 2004	March 29, 2003
Net sales	$ 1,391,261	1,084,715
Cost of sales	1,035,530	809,919
Gross profit	355,731	274,796
Selling, general and administrative expenses	236,692	196,603
Operating income	119,039	78,193
Other expense (income):		
Interest expense	13,954	13,098
Other expense	1,928	1,391
Other income	(506)	(1,871)
	15,376	12,618
Earnings before income taxes	103,663	65,575
Income taxes	37,356	23,935
Net earnings	$ 66,307	41,640
Basic earnings per share	$ 1.00	0.63
Weighted-average common shares outstanding	66,629	66,355
Diluted earnings per share	$ 0.98	0.62
Weighted-average common and dilutive potential common shares outstanding	67,599	67,119

See accompanying notes to condensed consolidated financial statements.

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

(In thousands)
(Unaudited)

	Three Months Ended	
	April 3, 2004	March 29, 2003
Cash flows from operating activities:		
Net earnings	$ 66,307	41,640
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	31,010	25,049
Deferred income taxes	-	1,315
Tax benefit on exercise of stock options	3,662	550
Loss on disposal of property, plant and equipment	82	74
Changes in operating assets and liabilities, net of effects of acquisition:		
Receivables	(90,540)	(39,588)
Inventories	(65,055)	(83,639)
Accounts payable and accrued expenses	58,693	76,955
Other assets and prepaid expenses	(1,003)	3,005
Other liabilities	105	1,367
Net cash provided by operating activities	3,261	26,728
Cash flows from investing activities:		
Additions to property, plant and equipment, net	(13,167)	(24,664)
Net cash used in investing activities	(13,167)	(24,664)
Cash flows from financing activities:		
Net change in revolving line of credit	(20,708)	(3,401)
Net change in asset securitization	8,000	-
Redemption of IRBs and other, net	(12)	(171)
Change in outstanding checks in excess of cash	15,373	23,195
Acquisition of treasury stock	-	(22,961)
Common stock transactions	7,253	1,274
Net cash provided by (used in) financing activities	9,906	(2,064)
Net change in cash	-	-
Cash, beginning of period	-	-
Cash, end of period	$ -	-

See accompanying notes to condensed consolidated financial statements.

(In thousands, except per share data)

1. Interim reporting

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with instructions to Form 10-Q and do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. These statements should be read in conjunction with the financial statements and notes thereto, and the Company's description of critical accounting policies, included in the Company's 2003 Annual Report filed on Form 10-K, as filed with the Securities and Exchange Commission, which includes consolidated financial statements for the year ended December 31, 2003.

2. Acquisition

On November 10, 2003, the Company acquired the assets and assumed certain liabilities of the carpet division of Burlington Industries, Inc. ("Lees Carpet") from W.L. Ross & Company for approximately $349,839 in cash. The results of Lees Carpet have been included with the Mohawk segment results in the Company's consolidated financial statements since that date. The primary reason for the acquisition was to expand the Company's presence in the commercial carpet market.

The following table summarizes the preliminary estimated fair values of the assets acquired and the liabilities assumed at the date of acquisition for Lees Carpet.

Current assets	$ 62,942
Property, plant and equipment	53,421
Goodwill	78,083
Intangible assets	178,340
Other assets	52
Total assets acquired	372,838
Current liabilities	14,999
Other liabilities	8,000
Total liabilities assumed	22,999
Net assets acquired	$ 349,839

Of the approximately $178,340 of acquired intangible assets, approximately $125,580 was assigned to trade names and not subject to amortization. The remaining $52,760 was assigned to customer relationships with a weighted-average useful life of approximately 15 years. Goodwill of approximately $78,035 was assigned to the Mohawk segment. The goodwill is deductible for income tax purposes.

(In thousands, except per share data)

The following unaudited pro forma financial information presents the combined results of operations of Mohawk and Lees Carpet as if the acquisition had occurred at the beginning of 2003, after giving effect to certain adjustments, including increased interest expense on debt related to the acquisition, the amortization of customer relationships, depreciation and related income tax effects. The pro forma information does not necessarily reflect the results of operations that would have occurred had Mohawk and Lees Carpet constituted a single entity during such period. The following table discloses the results for the period ended March 29, 2003:

	March 29, 2003
Net sales	$ 1,144,390
Net earnings	$ 42,913
Basic earnings per share	$ 0.65
Diluted earnings per share	$ 0.64

3. Receivables

Receivables are as follows:

	April 3, 2004	December 31, 2003
Customers, trade	$ 759,426	663,269
Other	3,021	4,648
	762,447	667,917
Less allowance for discounts, returns, claims and doubtful accounts	98,407	94,417
Net receivables	$ 664,040	573,500

4. Inventories

The components of inventories are as follows:

	April 3, 2004	December 31, 2003
Finished goods	$ 579,772	535,645
Work in process	85,620	72,981
Raw materials	232,078	223,789
Total inventories	$ 897,470	832,415

(In thousands, except per share data)

5. Accounts payable and accrued expenses

Accounts payable and accrued expenses are as follows:

	April 3, 2004	December 31, 2003
Outstanding checks in excess of cash	$ 45,802	30,429
Accounts payable, trade	308,724	245,746
Accrued expenses	254,450	262,012
Accrued compensation	104,266	99,753
Total accounts payable and accrued expenses	$ 713,242	637,940

6. Intangible assets and goodwill

The components of intangible assets are as follows:

	April 3, 2004	December 31, 2003
Carrying amount of amortized intangible assets:		
Customer relationships	$ 53,010	53,010
Patents	600	600
	$ 53,610	53,610
Accumulated amortization of amortized intangible assets:		
Customer relationships	$ 1,431	541
Patents	25	10
	$ 1,456	551
Unamortized intangible assets:		
Trade names	$ 272,280	272,280

Amortization expense:	Three Months Ended	
	April 3, 2004	March 29, 2003
Aggregate amortization expense	$ 905	-

(In thousands, except per share data)

Goodwill consists of the following:

	Mohawk Segment	Dal-Tile Segment	Total
Balance as of January 1, 2004	$ 195,083	1,173,617	1,368,700
Goodwill recognized during the period	49	-	49
Balance as of April 3, 2004	195,132	1,173,617	1,368,749

7. Product Warranties

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

	Three Months Ended	
	April 3, 2004	March 29, 2003
Balance at beginning of period	$ 5,190	7,184
Warranty claims paid	(12,284)	(15,677)
Warranty expense	12,108	14,830
Balance at end of period	$ 5,014	6,337

8. Comprehensive income

Comprehensive income is as follows:

	Three Months Ended	
	April 3, 2004	March 29, 2003
Net earnings	$ 66,307	41,640
Other comprehensive income:		
Foreign currency translation	(1,873)	-
Unrealized gain on derivative instruments, net of income taxes	59	616
Comprehensive income	$ 64,493	42,256

9. Stock compensation

Effective January 1, 2003 the Company adopted the disclosure provisions of SFAS No. 148, "*Accounting for Stock-Based Compensation-Transition and Disclosure*." This statement amends SFAS No. 123, "*Accounting for Stock-Based Compensation*," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based compensation and requires prominent disclosure in both the annual and interim financial statements of the method of accounting used and the financial impact of stock-based compensation. As permitted by SFAS No. 123 the Company accounts for stock options granted as prescribed under Accounting Principles Board Opinion No. 25, "*Accounting for Stock Issued to Employees*," which recognizes compensation cost based upon the intrinsic value of the award.

(In thousands, except per share data)

If the Company had elected to recognize compensation expense based upon the fair value at the grant dates for awards under these plans, the Company's net earnings per share would have been reduced as follows:

		Three Months Ended	
		April 3, 2004	March 29, 2003
Net earnings as reported	$	66,307	41,640
Deduct: Stock-based employee compensation expense determined under fair value based method for all options, net of related tax effects		(1,214)	(1,384)
Pro forma net earnings	$	65,093	40,256
Net earnings per common share (basic):			
As reported	$	1.00	0.63
Pro forma	$	0.98	0.61
Net earnings per common share (diluted):			
As reported	$	0.98	0.62
Pro forma	$	0.97	0.60

The following weighted average assumptions were used to determine the fair value using the Black-Scholes option-pricing model:

	Three Months Ended	
	April 3, 2004	March 29, 2003
Dividend yield	-	-
Risk-free interest rate	2.5%	4.3%
Volatility	44.5%	44.2%
Expected life (years)	6	6

10. Earnings per share

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

Dilutive common stock options are included in the diluted EPS calculation using the treasury stock method. Common stock options that were not included in the diluted EPS computation because the options exercise price was greater than the average market price of the common shares (anti-dilutive) for the periods presented are immaterial.

(In thousands, except per share data)

	Three Months Ended	
	April 3, 2004	March 29, 2003
Net earnings	$ 66,307	41,640
Weighted-average common and dilutive potential common shares outstanding:		
Weighted-average common shares outstanding	66,629	66,355
Add weighted-average dilutive potential common shares - options to purchase common shares, net	970	764
Weighted-average common and dilutive potential common shares outstanding	67,599	67,119
Basic earnings per share	$ 1.00	0.63
Diluted earnings per share	$ 0.98	0.62

11. Supplemental Consolidated Statements of Cash Flows Information

	Three Months Ended	
	April 3, 2004	March 29, 2003
Net cash paid during the period for:		
Interest	$ 1,001	3,480
Income taxes	$ 44,065	40,780

12. Recent accounting pronouncements

In January 2003, the Financial Accounting Standards Board issued FASB Interpretation No. ("FIN") 46, "Consolidation of Variable Interest Entities," and later issued a revised version, FIN 46R. The revised version was applicable to all special purpose entities ("SPE's") created prior to February 1, 2003 at the end of the first interim or annual period after December 15, 2003. It was applicable to all non-SPE's created prior to February 1, 2003 at the first interim or annual reporting period ending after March 15, 2004. The Company has adopted both FIN 46 and FIN 46(R), which did not have a material impact on the Company's consolidated financial statements.

(In thousands, except per share data)

13. Segment reporting

The Company has two operating segments, the Mohawk segment and the Dal-Tile segment. The Mohawk segment sells and distributes its product lines, which include broadloom carpet, rugs, pad, ceramic tile, hardwood, vinyl and laminate through independent floor covering retailers, home centers, mass merchandisers, department stores, commercial dealers and commercial end users. The Dal-Tile segment product lines include ceramic tile, porcelain tile and stone products sold through company-operated sales service centers, independent distributors and home centers.

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

Segment information is as follows:	Three Months Ended	
	April 3, 2004	March 29, 2003
Net sales:		
Mohawk	$ 1,031,978	808,111
Dal-Tile	359,283	276,604
	$ 1,391,261	1,084,715
Operating income:		
Mohawk	$ 71,772	40,830
Dal-Tile	49,402	38,348
Corporate and Eliminations	(2,135)	(985)
	$ 119,039	78,193
	As of	
	April 3, 2004	December 31, 2003
Assets:		
Mohawk	$ 2,190,291	2,086,716
Dal-Tile	1,997,529	1,967,206
Corporate and Eliminations	114,428	109,653
	$ 4,302,248	4,163,575

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

Overview

The Company is the leading producer of floorcovering products for residential and commercial applications in the United States. The Company is the second largest carpet and rug manufacturer, and a leading manufacturer, marketer and distributor of ceramic tile and natural stone, in the United States. The Company has two operating segments, the Mohawk segment and the Dal-Tile segment. The Mohawk segment sells and distributes its product lines, which include broadloom carpet, rugs, pad, ceramic tile, hardwood, vinyl and laminate through independent floor covering retailers, home centers, mass merchandisers, department stores, commercial dealers and commercial end users. The Dal-Tile segment product lines include ceramic tile, porcelain tile and stone products sold through company-operated sales service centers, independent distributors and home centers.

On November 10, 2003, the Company acquired the assets and assumed certain liabilities of the commercial carpet division of Burlington Industries, Inc., known as Lees Carpet, from W.L. Ross & Company for approximately $350 million in cash. The results of operations for Lees Carpet have been included with the Mohawk segment results and in the Company's consolidated financial statements since that date. The integration of the Lees Carpet information systems has been completed. In addition, inventories have been increased to support the Lees Carpet business and improve service levels. Lees Carpet was accretive to the Company's earnings in the first quarter of 2004.

Results of Operations

Quarter Ended April 3, 2004, as Compared with Quarter Ended March 29, 2003

Net sales for the quarter ended April 3, 2004 were $1,391.3 million, reflecting an increase of $306.5 million, or approximately 28.3%, from the $1,084.7 million reported in the quarter ended March 29, 2003. The increased net sales are primarily attributable to the Lees Carpet acquisition completed during the fourth quarter of 2003, strong organic growth within the Mohawk and Dal-Tile segments and four more shipping days in the current quarter compared to the first quarter of 2003. The Mohawk segment recorded net sales of $1,032.0 million in the current quarter compared to $808.1 million in the first quarter of 2003, representing an increase of $223.9 million or approximately 27.7%. The increase was primarily attributable to the acquisition of Lees Carpet, strong organic growth in the hard and soft surface product categories and four more shipping days in the current quarter compared to the first quarter of 2003. The Dal-Tile segment recorded net sales of $359.3 million in the current quarter, reflecting an increase of $82.7 million or approximately 29.9%, from the $276.6 million reported in the first quarter of 2003. The increase was primarily attributable to organic growth within the tile and stone product categories and four more shipping days in the current quarter compared to the first quarter of 2003.

Gross profit for the first quarter of 2004 was $355.7 million (25.6% of net sales) and represented an increase of $80.9 million from gross profit of $274.8 million (25.3% of net sales) for the prior year's first quarter. Gross profit as a percentage of net sales in the current quarter was favorably impacted by higher production, resulting in more absorption of fixed costs offset by increased carpet material, energy and distribution costs caused by increased natural gas, oil and commodity prices when compared to the first quarter of 2003.

Selling, general and administrative expenses for the first quarter of 2004 were $236.7 million (17% of net sales) compared to $196.6 million (18.1% of net sales) for the prior year's first quarter. The decrease in percentage was attributable to both the Mohawk and Dal-Tile segments leveraging selling, general and administrative expenses over increased net sales.

Operating income for the first quarter of 2004 was $119.0 million (8.6% of net sales) compared to $78.2 million (7.2% of net sales) in the first quarter of 2003. The improvement in operating income resulted from increased net sales and gross profit margins and lower selling, general and administrative expenses (as a percentage of net sales). Operating income attributable to the Mohawk segment was $71.8 million (7.0% of segment net sales) in the first quarter of 2004 compared to $40.8 million (5.1% of segment net sales) in the first quarter of 2003. Operating income attributable to the Dal-Tile segment was $49.4 million (13.8% of segment net sales) in the first quarter of 2004 compared to $38.3 million (13.9% of segment net sales) for the first quarter of 2003.

Interest expense for the first quarter of 2004 was $14.0 million compared to $13.1 million in the first quarter of 2003. The increase in interest expense was attributable to additional debt incurred to finance the acquisition of Lees Carpet.

Income tax expense was $37.4 million, or 36.0% of earnings before income taxes for the first quarter of 2004 compared to $23.9 million, or 36.5% of earnings before income taxes for the prior year's first quarter. The improved rate was a result of increased tax credits in the first quarter of 2004 compared to the first quarter of 2003.

Liquidity and Capital Resources

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

The level of accounts receivable increased from $573.5 million at the beginning of 2004 to $664.0 million at April 3, 2004. The $90.5 million increase was primarily attributable to seasonal fluctuation in net sales and organic sales growth. Inventories increased from $832.4 million at the beginning of 2004 to $897.5 million at April 3, 2004, due primarily to building of inventory for hard and soft surface product categories to reflect increases in net sales and purchasing of raw materials by the Mohawk segment in advance of vendor price increases.

The outstanding checks in excess of cash represent trade payables checks that have not yet cleared the bank. When the checks clear the bank, they are funded by the revolving credit facility. This policy does not impact any liquid assets on the consolidated balance sheet.

Capital expenditures totaled $13.2 million during the first quarter of 2004. Capital expenditures were incurred primarily to modernize and expand manufacturing facilities and equipment. The Company's capital projects are primarily focused on increasing capacity, improving productivity and reducing costs. Capital spending during the remainder of 2004, excluding acquisitions, is expected to range from $127 million to $147 million, and will be used primarily to purchase equipment and to add manufacturing capacity.

At April 3, 2004, the Company had credit facilities of $300 million under its revolving credit line and $50 million under various short-term uncommitted credit lines. All of these lines are unsecured. At April 3, 2004, a total of approximately $257.8 million was available under both the credit facility and uncommitted credit lines compared to $237.3 million available under both the credit facility and uncommitted credit lines at December 31, 2003.

The Company has an on-balance sheet trade accounts receivable securitization agreement ("Securitization Facility"). The Securitization Facility allows the Company to borrow up to $350 million based on available accounts receivable. At April 3, 2004, the Company had $190 million outstanding secured by approximately $706.4 million of trade receivables compared to $182 million secured by approximately $649 million of trade receivables at December 31, 2003.

Recent Accounting Pronouncements

In January 2003, the Financial Accounting Standards Board issued FASB Interpretation No. ("FIN") 46, "Consolidation of Variable Interest Entities," and later issued a revised version, FIN 46R. The revised version was applicable to all special purpose entities ("SPE's") created prior to February 1, 2003 at the end of the first interim or annual period after December 15, 2003. It was applicable to all non-SPE's created prior to February 1, 2003 at the first interim or annual reporting period ending after March 15, 2004. The Company has adopted both FIN 46 and FIN 46(R), which did not have a material impact on the Company's consolidated financial statements.

Critical Accounting Policies and Estimates

There were no significant changes to the Company's critical accounting policies and estimates during the period. The Company's critical accounting policies and estimates are described in the Company's 2003 Annual Report filed on Form 10-K.

Impact of Inflation

Inflation affects the Company's manufacturing costs and operating expenses. The carpet and ceramic tile industry has experienced inflation in the prices of raw materials and fuel-related costs. In the past, the Company has generally passed along these price increases to its customers and has been able to enhance productivity to offset increases in costs resulting from inflation in both the United States and Mexico.

Seasonality

The Company is a calendar year-end company and its results of operations for the first quarter tend to be the weakest. The second, third and fourth quarters typically produce higher net sales and operating income. These results are primarily due to consumer residential spending patterns for floorcovering, which historically have decreased during the first two months of each year following the holiday season.

Forward-Looking Information

Certain of the statements in this Form 10-Q, particularly anticipating of future performance, business prospects, growth and operating strategies, proposed acquisitions, and similar matters, and those that include the words "believes," "anticipates," "forecast," "estimates" or similar expressions constitute "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities and Exchange Act of 1934, as amended. For those statements, Mohawk claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. There can be no assurance that the forward-looking statements will be accurate because they are based on many assumptions, which involve risks and uncertainties. The following important factors could cause future results to differ: changes in industry conditions; competition; raw material prices; timing and level of capital expenditures; integration of acquisitions; introduction of new products; rationalization of operations; and other risks identified in Mohawk's SEC reports and public announcements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Natural Gas Risk Management

The Company has designated natural gas futures contracts as cash flow hedges. The outstanding contracts are valued at market with the offset going to other comprehensive income, net of applicable income taxes. Any gain or loss is recognized in cost of sales in the same period or periods during which the hedged transaction affects earnings. At April 3, 2004, the Company had natural gas contracts outstanding with an aggregate notional amount of approximately 2.7 million MMBTU's. The fair value of these contracts, which mature from April 2004 to December 2004, was an asset of $3.6 million, with the offset recorded in other comprehensive income, net of applicable income taxes. At March 29, 2003, the Company had natural gas contracts outstanding with an aggregate notional amount of approximately 1.2 million MMBTU's. The fair value of these contracts was an asset of $3.0 million, with the offset recorded in other comprehensive income, net of applicable income taxes.

In addition, the long-term supply agreements for natural gas are accounted for under the normal purchases provision within SFAS No. 133 and its amendments. At April 3, 2004, the Company had normal purchase commitments of approximately 2.0 million MMBTU's for periods maturing from April 2004 through August 2005. The contracted value of these commitments was approximately $8.3 million and the fair value of these commitments was approximately $11.6 million. At March 29, 2003, the Company had normal purchase commitments of approximately 3.6 million MMBTU's. The contracted value of these commitments was approximately $14.3 million and the fair value of these commitments was approximately $17.3 million.

Foreign Currency Rate Management

The Company enters into foreign exchange forward contracts to hedge costs associated with its operations in Mexico. The objective of these transactions is to reduce volatility of exchange rates where these operations are located by fixing a portion of their costs in U.S. currency. Gains and losses are recognized in cost of sales in the same period or periods during which the hedged transaction affects earnings. Accordingly, these contracts have been designated as cash flow hedges. At April 3, 2004, the Company had forward contracts maturing from April 2004 through December 2004, to purchase approximately 104 million Mexican Pesos. The aggregate U.S. Dollar value of these contracts at April 3, 2004 was approximately $9.0 million. The contracts are marked to market in current assets or other current liabilities with the offset to other comprehensive income, net of applicable income taxes. Unrealized gains at April 3, 2004 were not significant. At March 29, 2003, the Company had forward contracts to purchase approximately 176.6 million Mexican Pesos. The aggregate U.S. Dollar value of these contracts at March 29, 2003 was approximately $16.3 million. Unrealized losses at March 29, 2003 were not significant.

Item 4. Controls and Procedures

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

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

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

Environmental Matters

The Company is subject to various federal, state, local and foreign environmental health and safety laws and regulations, including those governing air emissions, wastewater discharges, the use, storage, treatment and disposal of solid and hazardous materials, and the cleanup of contamination associated therewith. Because of the nature of the Company's business, the Company has incurred, and will continue to incur, costs relating to compliance with such laws and regulations. The Company is involved in various proceedings relating to environmental matters and is currently engaged in environmental investigation, remediation and post-closure care programs at certain sites. The Company has provided reserves for such activities that it has determined to be both probable and reasonably estimable. The Company does not expect that the ultimate liability with respect to such activities will have a material adverse effect on it.

Three sites near Mohawk's Dallas facility in its Dal-Tile segment are involved in environmental cleanup projects relating principally to the disposal or alleged disposal by Dal-Tile of waste materials containing lead compounds. Dal-Tile's approved closure plans have been implemented and each site is now undergoing post-closure care. Dal-Tile has been named as a potentially responsible party under the federal Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA") and similar state statutes for the disposal of certain hazardous substances at various other sites in the United States. The Company does not believe that any future costs for these sites will have a material adverse effect on it.

Item 2. Changes in Securities, Use of Proceeds and Issuers Purchases of Equity Securities

Mohawk Industries, Inc. Purchases of Equity Securities

Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
Opening balance	10,956,690	$ 26.75	15,000,000	4,043,310
Month #1 (January 1, 2004- February 7, 2004)	-	-	-	-
Month #2 (February 8, 2004- March 6, 2004)	-	-	-	-
Month #3 (March 7, 2004- April 3, 2004)	-	-	-	-
Total	10,956,690	$ 26.75	15,000,000	4,043,310

On September 29, 1999, the Company announced that its Board of Directors authorized the repurchase of up to 5 million shares of the Company's common stock. On December 16, 1999, the Company announced that the Company's Board of Directors authorized the repurchase of an additional 5 million of its common stock under the existing repurchase plan. On May 18, 2000, the Company announced that the Company's Board of Directors authorized the repurchase of an additional 5 million of its common stock under the existing repurchase plan.

Item 3. Defaults Upon Senior Securities
None.

Item 4. Submission of Matters to a Vote of Security Holders
None.

Item 5. Other Information
None.

Item 6. Exhibits and Reports on Form 8-K

No. **Description**

Exhibits

(a) 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.

(b) **Reports on Form 8-K**
Current Report on Form 8-K: Fourth quarter and year-end earnings press release, dated February 5, 2004.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MOHAWK INDUSTRIES, INC.

Dated: May 10, 2004

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

Dated: May 10, 2004

By: /s/ John D. Swift
JOHN D. SWIFT, Chief Financial Officer,
Vice President-Finance and Assistant Secretary
(principal financial and accounting officer)

EXHIBIT 31.1

CERTIFICATIONS

I, Jeffrey S. Lorberbaum, certify that:

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

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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

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

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

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

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

Date: May 10, 2004
/s/: Jeffrey S. Lorberbaum
Jeffrey S. Lorberbaum
President and Chief Executive Officer

EXHIBIT 31.2

CERTIFICATIONS

I, John D. Swift, certify that:

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

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

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

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) 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) 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

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

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

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

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

Date: May 10, 2004

/s/: John D. Swift
John D. Swift
Chief Financial Officer

Exhibit 32.1

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

In connection with the quarterly report of Mohawk Industries, Inc. (the "Company") on Form 10-Q for the period ended April 3, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey S. Lorberbaum, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that, based on my knowledge:

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

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

/s/:Jeffrey S. Lorberbaum
Jeffrey S. Lorberbaum
President and Chief Executive Officer
May 10, 2004

Exhibit 32.2

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

In connection with the quarterly report of Mohawk Industries, Inc. (the "Company") on Form 10-Q for the period ended April 3, 2004 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, John D. Swift, 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/: John D. Swift
John D. Swift
Chief Financial Officer
May 10, 2004