

Mohawk Industries, Inc.

Investor Presentation

Q3 2008



Certain of the statements in this presentation may include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995, which are subject to various risks and uncertainties including, but not limited to, those set forth in our press releases and our periodic filings with the Securities & Exchange Commission.



Mohawk
Carpet

- Total flooring product offering
- Strong brand identity
- Pervasive sales coverage
- Vertically integrated manufacturing
- Superior distribution infrastructure
- Consistent financial performance and disciplined management



Dal-Tile Ceramic

2007

- Sales of \$7.6 billion
- EBITDA of \$1.1 billion

Leading Market Positions

Carpet

Ceramic

Stone Flooring and Countertops

Laminate

Wood

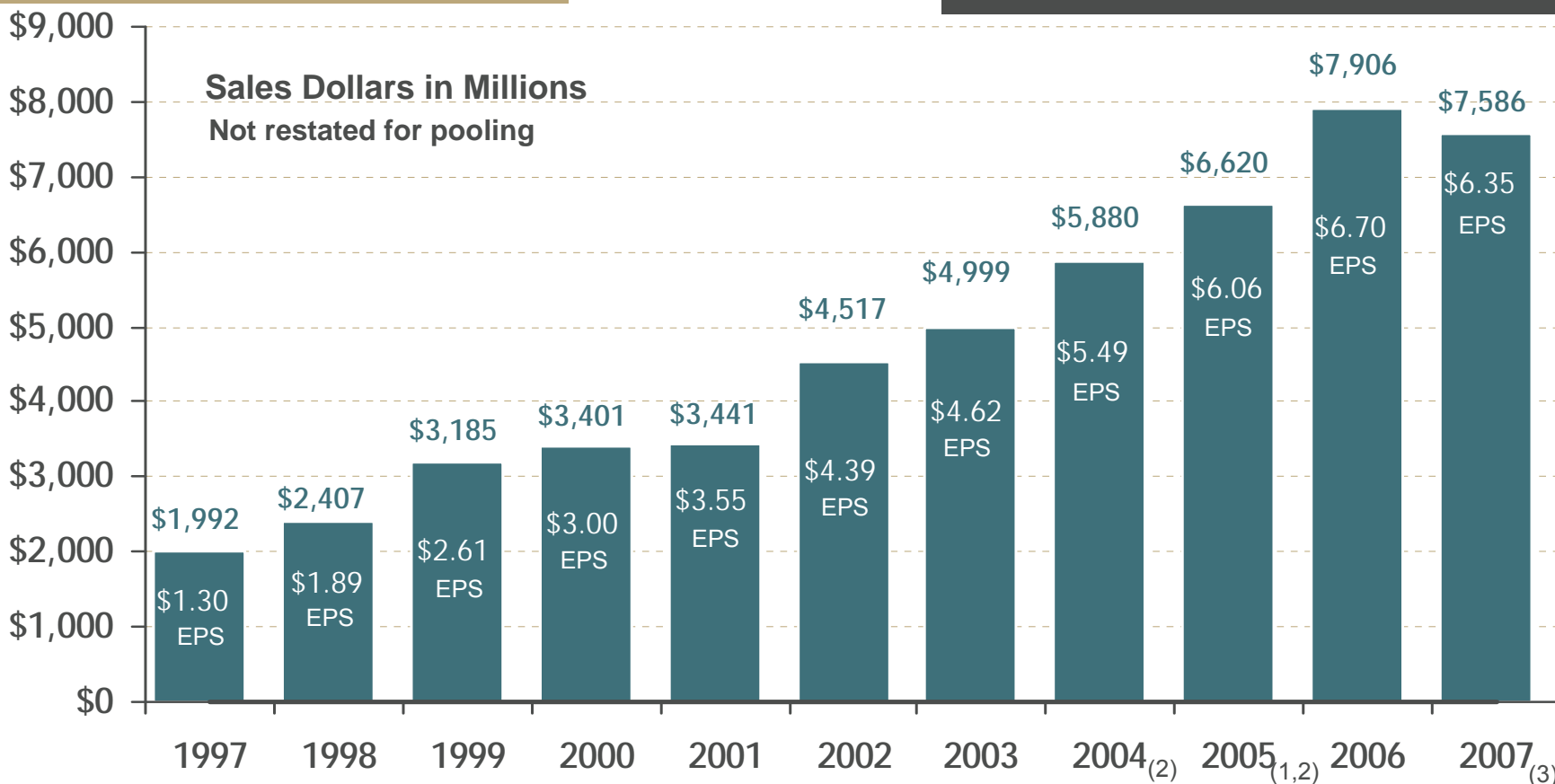
Rugs and Mats

Financial Discipline



Net Sales 14% – AGR
Earnings per Share 17% – AGR

Consistent Financial Performance



(1) Adjusted \$22 million after-tax for one time non-cash charge for purchase accounting inventory in 2005
 (2) 2005 and 2004 restated to reflect impact of change from LIFO to FIFO (\$0.43 and \$0.03, respectively)
 (3) 2007 restated to exclude one-time favorable tax impact of \$3.97/share

Product Mix Across Flooring Industry

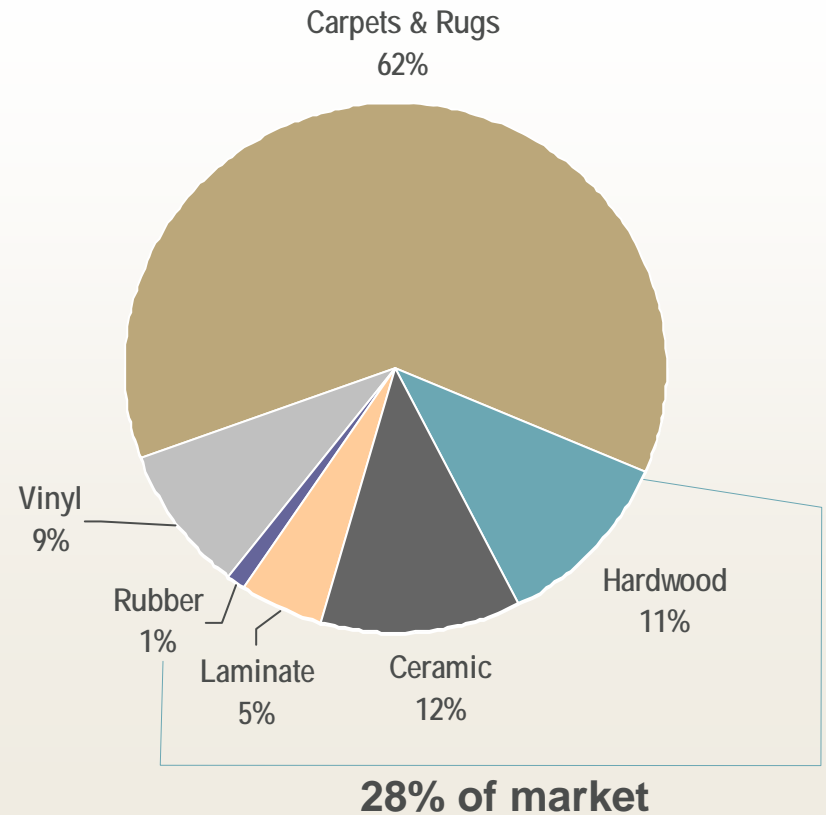
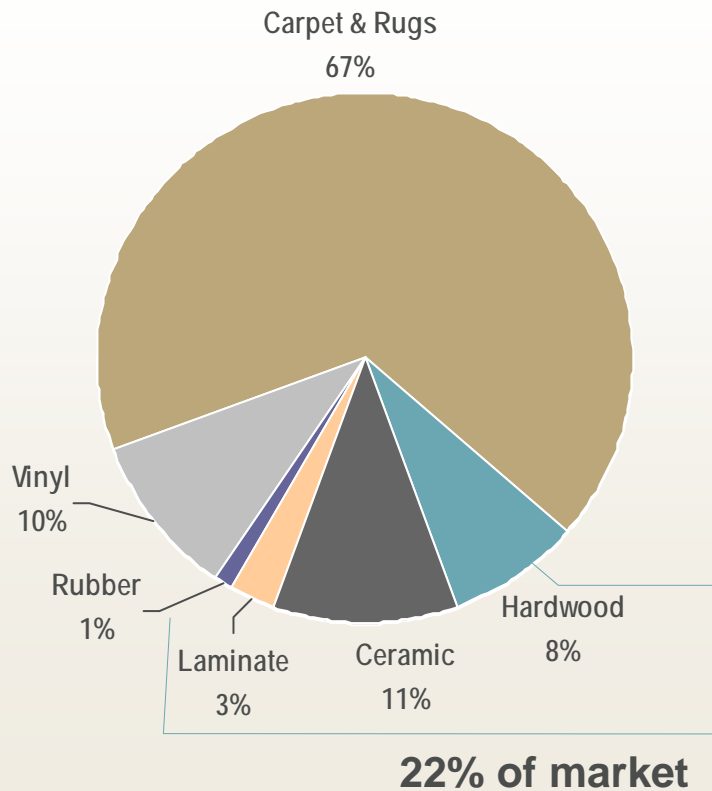


1998 U.S. Industry

\$17 Billion

2007 U.S. Industry

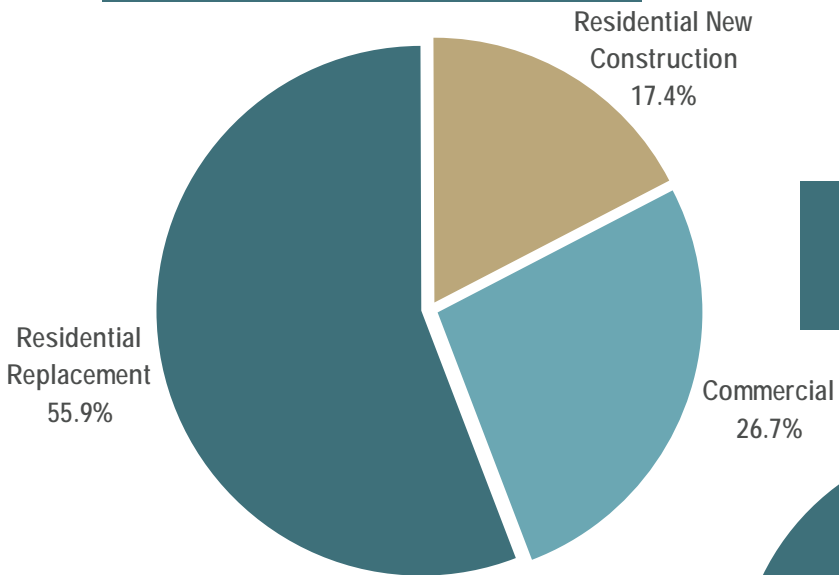
\$22 Billion



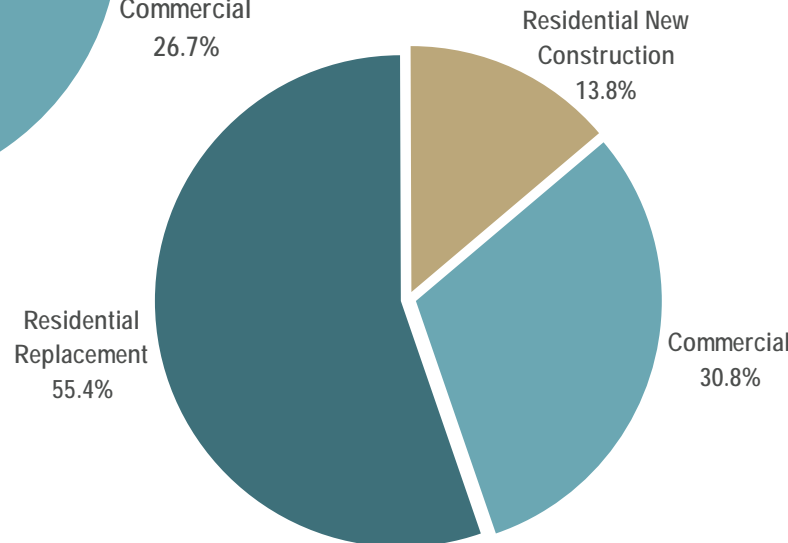
Floor Covering Sales by End-Use Market



**2006 US Industry
Sales \$24 Billion**



**2007 US Industry
Sales \$22 Billion**



Residential

- Retail dealers
- Builder
- Multi-family
- Home centers
- Specialty Retail

Commercial

- Corporate
- Educational
- Retail
- Health care
- Hospitality
- Institutional
- Mainstreet

2007 U.S. Flooring Manufacturers



Dollars In Billions	Carpet and Rugs		Total Flooring	
	Dollars	% Total	Dollars	% Total
Mohawk	\$3.5	24%	\$5.3	24%
Shaw	\$4.4	31%	\$4.7	21%
Armstrong			\$1.5	7%
Beaulieu	\$1.0	7%	\$1.0	5%
Mannington	\$0.1	1%	\$0.7	3%
Interface	\$0.5	3%	\$0.5	2%
Domco Tarkett			\$0.3	1%
The Dixie Group	\$0.3	2%	\$0.3	1%
C&A Floorcovering	\$0.3	2%	\$0.3	1%
Pfleiderer			\$0.2	1%
Total Top Ten	\$10.1	71%	\$14.8	68%
Total Industry	\$14.3		\$21.9	

Diversified Customer Base

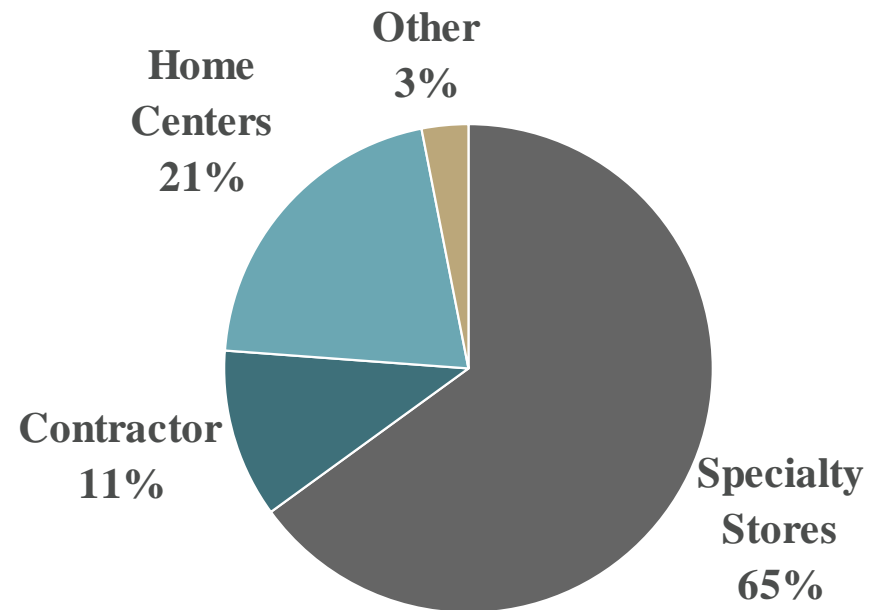
Over 30,000 Customers



EVERYTHING OLD IS NEW AGAIN.
Introducing The Sunwash® Collection.

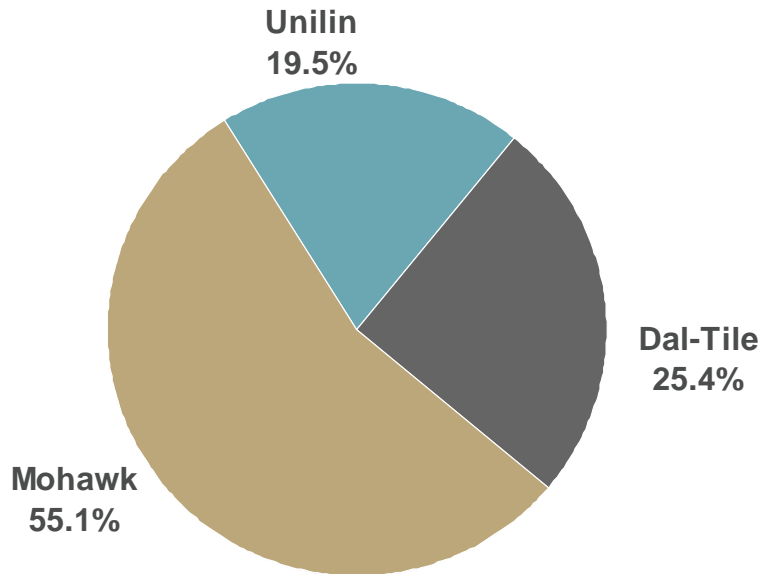
Kansler

Consumer Advertising



2007 Revenues

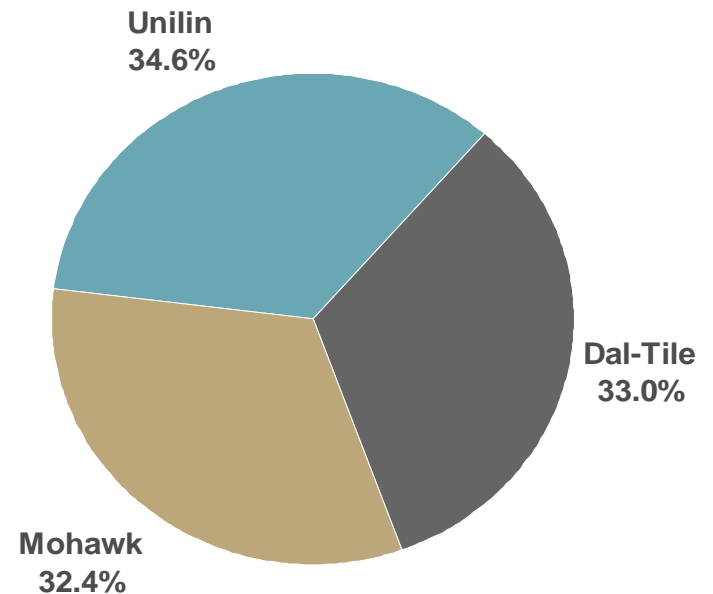
(Before corporate elimination)



Total: \$7,586 M

2007 Operating Income

(Before corporate elimination)



Total: \$750 M

We offer all price points and products

Carpet

- Tufted
- Woven
- Printed
- Modular Tile

Ceramic

- Floor & Wall
- Porcelain
- Quarry
- Mosaic

Wood

- Engineered
- Solid
- Hand-scraped

Laminate

- Planks
- Mosaic
- Tiles

Rugs

- Tufted
- Woven
- Printed

Stone

- Floor
- Countertops
- Basins

Wood Panels

- Roofing
- Melamine
- Chip Board

Vinyl

- Sheet
- Tile

Mats

- Bath
- Entrance
- Indoor

Cushion

- Bonded
- Felt
- Urethane

Accessories

- Wall Trim
- Installation Products
- Tools

Best in Class Distribution Network



State of the art logistics system

300 distribution points, 900 trucks

Over 2,300 sales representatives in N.A.





- **1992 to 2000:** Focus on soft surface acquisitions
- **2000:** Added hard surface sales force with sourced products
- **2002:** Acquired Dal-tile – leading ceramic position
- **2005:** Acquired Unilin – leading laminate position
- **2007:** Acquired Columbia Wood Flooring – leading wood position

Cycle Management

Economy

- Slowdown in US and Europe
- Severe housing contraction
- Credit availability weak
- Commercial investments declining

Flooring

- Residential in protracted downturn
- Commercial weakening
- Discretionary purchases delayed
- Material and energy costs softening
- Consumers trading down

Maximize revenues and margins

Right-size infrastructure

Improve productivity and technology

Minimize working capital

Enhance distribution efficiency

Maintain strong balance sheet

Maintain liquidity flexibility

Business Segments

Mohawk

Dal-Tile

Unilin

Key Priorities

Drive sales and profit growth

Enhance customer relationship management

Develop new market opportunities

Expand growth product categories



Investments

Leverage our brands

Specialize sales teams

Provide product innovation and differentiation

Enhance international position

Improve management execution

World class brands

- Ralph Lauren
- Karastan
- Mohawk
- Mohawk Hardwood
- Mohawk Laminate
- Mohawk Ceramic
- Mohawk Floorscapes
- Mohawk Color Center
- Mohawk Floorz



LAUREN
RALPH LAUREN
HOME

Karastan[®]



MOHAWK[®]

Retail Programs



Continue to improve in-store experience

Improve training to help retail partners

Integrate all product categories

Leverage Mohawk Brand to increase customer traffic

Provide differentiated products and innovations

Business Segments

Corporate

Educational

Retail

Health care

Hospitality

Government



Mohawk Commercial Brands

Karastan – Style and design

Durkan Hospitality – Art for the floor

Lees – Performance with style

Bigelow – Value and service

Sells All Top Retailers

Coordinated Offerings

KOHL'S

COSTCO
WHOLESALE

WAL★MART



Bath Rugs

Mats

Area Rugs



**BED BATH &
BEYOND**

Dal-Tile Segment Competitive Advantages



- Broadest array of ceramic tile products
- Best known ceramic tile brand names
- Unmatched national distribution
- Rated #1 in the industry for customer service, quality and design
- Low cost, high quality, focused manufacturing facilities

Dal-Tile Segment Industry's Leading Brands

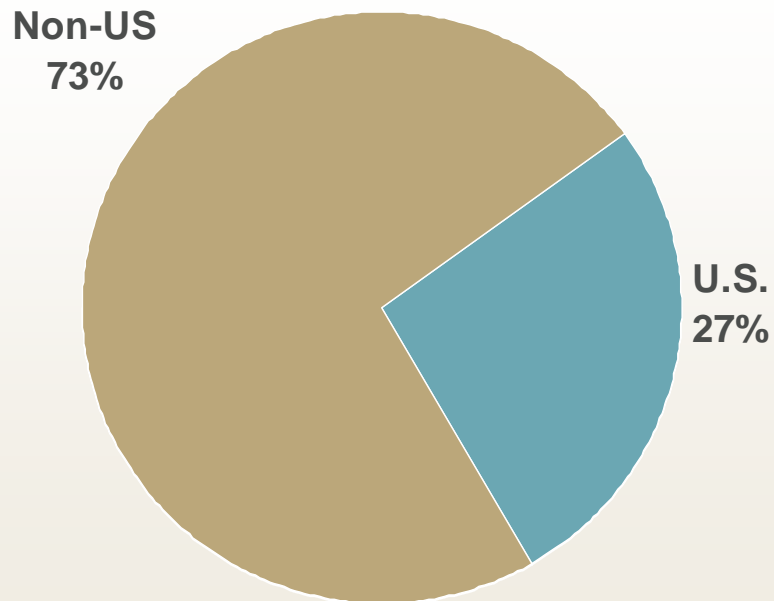


daltile®

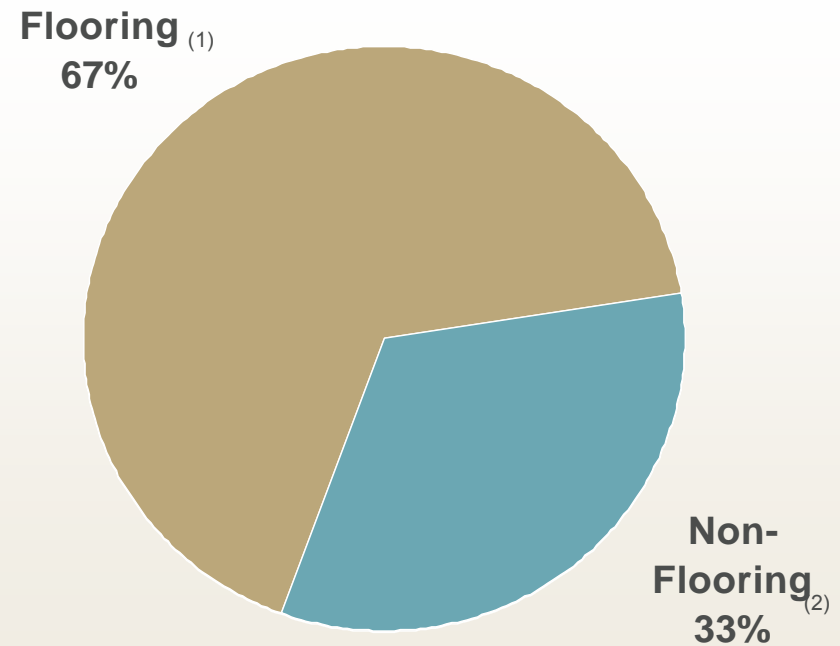


- Sold through extensive residential dealer network
- 229 company-owned sales service centers
- 24 stone centers
- 10 design galleries
- Home centers (primarily Home Depot)
- 58 independent distributors/186 locations
- 14 company-owned sales centers
- Home centers (primarily Lowe's)

Geographical Revenue Split



Product Revenue Split



(1) Includes Laminate, Wood, MDF and IP

(2) Includes Roofing Structures and Other Boards

Positioned for profitable growth:

- Laminate is highest growth product in remodel market
- Ranked laminate category leader by retail channel
- Undisputed innovation leader
- Valuable intellectual property
- Vertically integrated manufacturer
- Complete laminate and pre-finished wood offering



Unilin Segment Laminate Offering



Handscraped



Random Length Plank



Four Sided Bevel



Two Sided Bevel



Roofing Structures and Specialty Board

Roofing Structures

- Insulated roof panels and hinged roofs

Flax, Specialty MDF, and Wood Chipboards

- Furniture and specialty construction

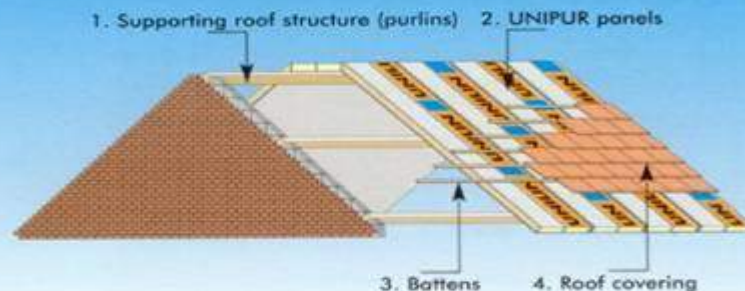
Melamine-faced boards and panels

- Furniture, DIY and construction industries

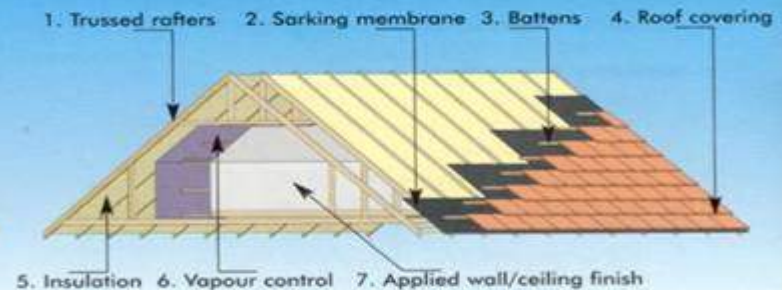
Melamine



UNIPUR Roof Panels



Traditional Roof



- Broad product offering of pre-finished wood
 - (2) Solid wood plants / (2) Engineered wood plants
- Expanding differentiated products
- Using brands to support multiple channels
- Leveraging Mohawk distribution
- Using Asian production to penetrate European markets
- Existing capacity can support sizable growth
- Investing to achieve low-cost position



Sustainability

Recycle, Renew, Reuse and Conserve



- 500 Mohawk products contain recycled materials
- Carpets utilize bio-based corn fiber
- Carpet fiber made from 3 billion recycled plastic bottles
- Laminate HDF consumes over 1 billion pounds of waste and recycled wood
- Recycled carpet converted to other plastic end uses
- Doormats utilize 30 million pounds of recycled tires
- Alternative energy sources replace petroleum-based fuels
- Reduction of emissions, water usage and energy consumption



Financial Review



Mohawk Industries Performance Highlights



Dollars in Millions except EPS

Years Ended Dec. 31	2007	2006	2005	2004	2003
Net Sales	\$7,586	\$7,906	\$6,620	\$5,880	\$4,999
<i>% Change</i>	(4%)	19%	13%	18%	11%
Gross Profit	\$2,115	\$2,231	\$1,768	\$1,624	\$1,393
<i>% Gross Margin</i>	28%	28%	27%	28%	28%
Operating Income	\$750	\$839	\$672	\$639	\$542
<i>% Oper. Margin</i>	10%	11%	10%	11%	11%
Net Earnings⁽¹⁾	\$435	\$456	\$387	\$371	\$310
<i>% Change</i>	(5%)	18%	4%	20%	9%
Diluted Earnings Per Share⁽¹⁾	\$6.35	\$6.70	\$5.72	\$5.49	\$4.62
<i>% Change</i>	(5%)	17%	4%	19%	5%

(1) Reflects Net Earnings before one-time tax benefit of \$272 million or \$3.97 per share

Mohawk Segment Results



(Dollars in millions)



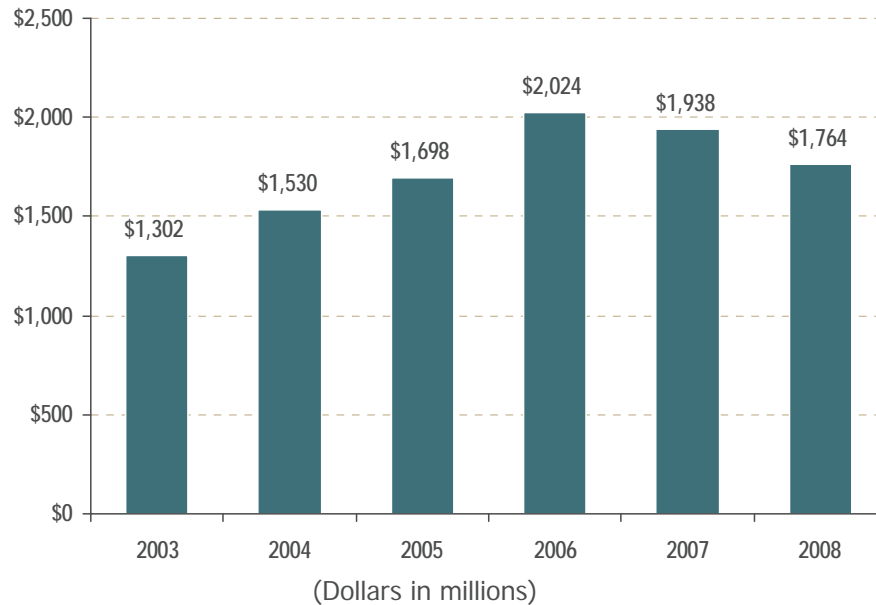
	2007	2006	2005	2004
Mohawk Segment				
Sales	\$4,206	\$4,742	\$4,717	\$4,369
<i>% Change</i>	(11%)	1%	8%	17%
Operating Income	\$255	\$387	\$427	\$428
<i>Margin</i>	6%	8%	9%	10%
Dal-Tile Segment				
Sales	\$1,938	\$1,942	\$1,735	\$1,512
<i>% Growth</i>	--	12%	15%	19%
Operating Income	\$259	\$271	\$260	\$220
<i>Margin</i>	13%	14%	15%	15%
Unilin Segment⁽¹⁾				
Sales	\$1,488	\$1,237	\$1,102	\$993
<i>% Growth</i>	20%	12%	11%	25%
Adj. Operating Income	\$272	\$214	\$180	\$163
<i>Margin</i>	18%	17%	16%	16%

(1) 2005 and 2004 data reflect full-year proforma results from Oct. 31, 2005 acquisition. 2005 Adj. Operating Income adjusted for \$34 million one-time, non-cash charge for purchase accounting

Mohawk Third Quarter 2008 Net Sales and Earnings per Share



Third Quarter Net Sales



Adjusted Third Quarter EPS

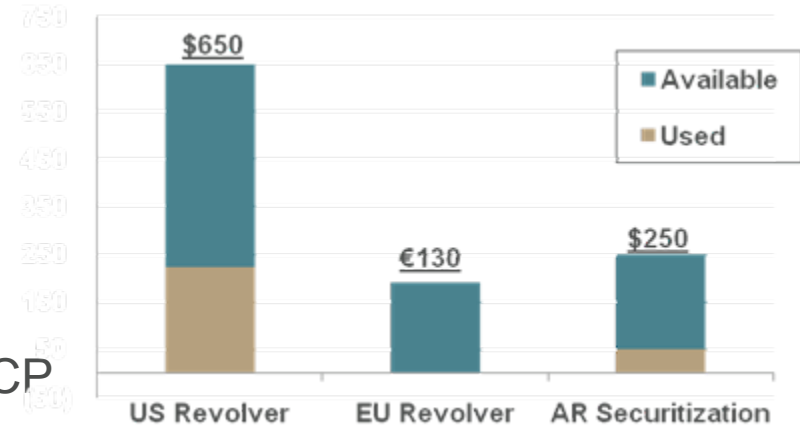


(1) Restated to reflect change from LIFO to FIFO (\$0.11/share favorable impact in 2005)

(2) Restated to exclude non-cash charges of \$17.77/share for goodwill impairment and \$3.70/share for deferred tax adjustment

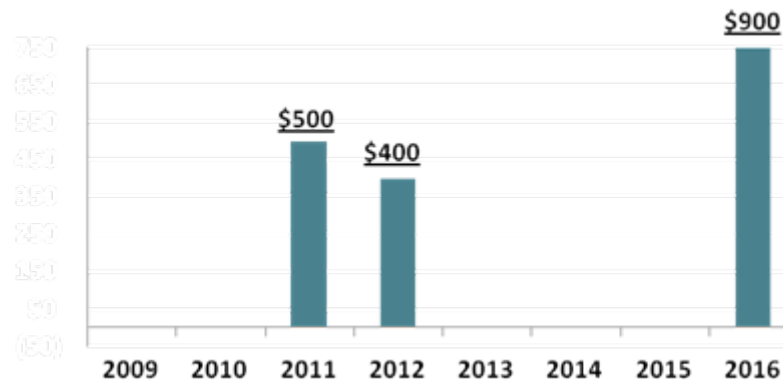
- Over \$800M available at Q3-2008:

- US Revolver - Expires Q4-2010
- European Revolver - Expires Q4-2010
- A/R Securitization - Expires Q3-2009
- Borrowing Rate 65-70 BPS above LIBOR/CP



- Bonds amortize:

- 2011-\$500M
- 2012-\$400M
- 2016-\$900M

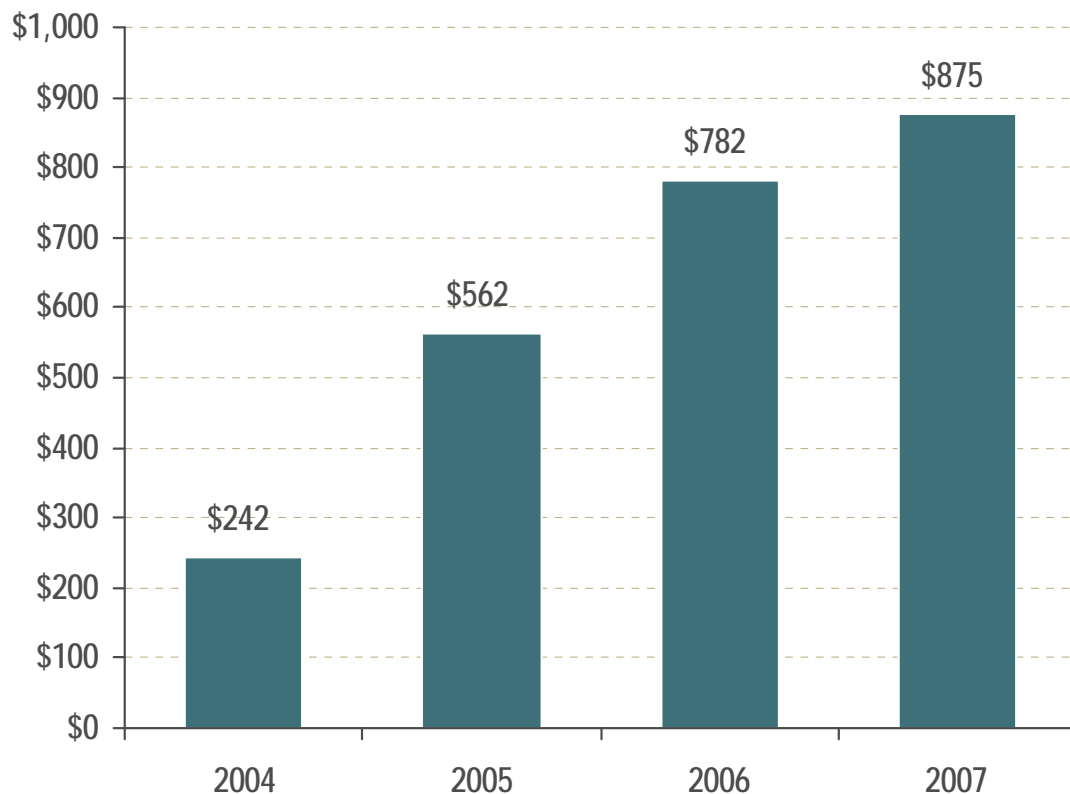


Mohawk Operating Cash Flow



Significant Growth Since 2004

(Dollars in Millions)



2008-Q3 YTD

- Generated \$371M cash flow YTD in 2008
- Paid debt of \$233M YTD

2007-Total Year

- 43 days sales outstanding
- 4.1 inventory turns
- 19% working capital/sales
- \$306M depreciation and amortization

Mohawk Industries, Inc.

