MOHAWK INDUSTRIES INC
Form 424B5
January 28, 2013
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Filed Pursuant to Rule 424(b)(5)
Registration No. 333-179798

The information in this preliminary prospectus supplement is not complete and may be changed. This preliminary prospectus supplement and the accompanying prospectus are not an offer to sell these securities, nor a solicitation of an offer to buy these securities, in any jurisdiction where the offering is not permitted.

Subject to Completion

Preliminary Prospectus Supplement dated January 28, 2013

Preliminary Prospectus Supplement

(To prospectus dated February 29, 2012)

$

% Senior Notes due 2023

The notes will bear interest at % per year. Interest on the notes is payable on and of each year, beginning on , 2013. The notes will mature on , 2023. Interest on the notes will accrue from , 2013.

At our option, we may redeem the notes, in whole or in part, before their maturity date on at least 30 but not more than 60 days notice on the terms described in this prospectus supplement under the caption Description of the Notes Optional Redemption. We must redeem all of the notes under the circumstances and at the redemption price described in this prospectus supplement under the caption Description of the Notes Special Mandatory Redemption. If a change of control triggering event as described in this prospectus supplement occurs, unless we have exercised our option to redeem the notes, we will be required to offer to repurchase the notes at the price described in this prospectus supplement.

The notes will be unsecured and will rank equally with all of our other existing and future unsecured indebtedness.

Investing in the notes involves risks that are described in the Risk Factors section beginning on page S-11 of this prospectus supplement and in other documents incorporated by reference in this prospectus supplement and the accompanying prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement or the accompanying prospectus. Any representation to the contrary is a criminal offense.

	Per Note	Total
Public Offering Price	%	$
Underwriting Discount	%	$
Proceeds to Mohawk Industries, Inc.	%	$

The public offering price set forth above does not include accrued interest, if any. Interest on the notes will begin to accrue on , 2013 and must be paid by the purchaser if the notes are delivered after , 2013.

The notes will not be listed on any securities exchange or quoted on any automated dealer quotation system. Currently, there is no public market for the notes.

The underwriters expect to deliver the notes to investors on or about , 2013 through the facilities of The Depositary Trust Company, including its participants, Clearstream Banking S.A. and Euroclear Bank S.A./N.V.

Joint Book-Running Managers

Barclays **BofA Merrill Lynch** **J.P. Morgan**

SunTrust Robinson Humphrey **Wells Fargo Securities**

The date of this prospectus supplement is , 2013.

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We and the underwriters have not authorized any other person to provide you with information different than what is contained in this prospectus supplement, the accompanying prospectus and any information incorporated by reference herein, and we take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. If anyone provides you with different or inconsistent information, you should not rely on it. We and the underwriters are not making an offer to sell these securities in any jurisdiction where the offer or sale is not permitted.

You should not assume that the information contained in this prospectus supplement, the accompanying prospectus, any related free writing prospectus prepared by us, or the documents incorporated by reference in this prospectus supplement or the accompanying prospectus is accurate as of any date other than the date on the front cover of this prospectus supplement, the accompanying prospectus, any free writing prospectus prepared by us or the documents incorporated by reference.

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ABOUT THIS PROSPECTUS SUPPLEMENT

These offering materials consist of two documents and the information incorporated by reference in these two documents: this prospectus supplement, which describes the terms of the notes that we are currently offering, and the accompanying prospectus, which provides general information about us and our debt securities, some of which may not apply to the notes that we are currently offering. If information in this prospectus supplement, or the information incorporated by reference in this prospectus supplement, is inconsistent with, updates or changes the information in the accompanying prospectus or the information incorporated by reference in the accompanying prospectus, this prospectus supplement, or the information incorporated by reference in this prospectus supplement, will apply and will supersede that information in the accompanying prospectus or the information incorporated by reference in the accompanying prospectus. In addition, the information in this prospectus supplement may add to, update or change the information incorporated by reference in this prospectus supplement and accordingly will supersede that information.

It is important for you to read and consider all information contained in this prospectus supplement and the accompanying prospectus in making your investment decision. You should also read and consider the information in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus, referred to in Incorporation of Certain Information by Reference in this prospectus supplement and the accompanying prospectus.

Some financial information in this prospectus supplement has been rounded and, as a result, the numerical figures shown as totals in the tables in this prospectus supplement may vary slightly from the exact arithmetic aggregation of the figures that precede them.

Unless otherwise specified, all references in this prospectus supplement to:

- Mohawk, the issuer, the Company, we, us and our are to Mohawk Industries, Inc., a Delaware corporation, and its consolidated subsidiaries, unless the context otherwise requires; and

- underwriters are to the firms listed in Underwriting in this prospectus supplement.

SPECIAL NOTE REGARDING NON-U.S. GAAP FINANCIAL MEASURES

The body of generally accepted accounting principles in the United States is commonly referred to as U.S. GAAP. A non-U.S. GAAP financial measure is generally defined by the United States Securities and Exchange Commission, or the SEC, as one that purports to measure historical or future financial performance, financial position or cash flows but excludes or includes amounts that could not be so adjusted in the most comparable U.S. GAAP measure. Adjusted Operating Income, Adjusted EBITDA, Free Cash Flow and Net Debt, as presented in this prospectus supplement, are supplemental measures of our performance and financial position that are not required by, or presented in accordance with, U.S. GAAP. They are not measurements of our financial performance or position under U.S. GAAP and should not be considered as alternatives to net income, cash flow or total debt or any other performance or financial position measures derived in accordance with U.S. GAAP.

We define Adjusted Operating Income as operating income, excluding operating lease corrections and certain charges relating to business restructurings. We define Adjusted EBITDA as operating income, plus other income (expense), net earnings attributable to non-controlling interest, U.S. customs refund, and depreciation and amortization, and further adjusted to exclude unrealized foreign currency losses, operating lease corrections, the establishment of certain reserves relating to our commercial carpet tile business, higher cost inventory flow through and certain charges relating to business restructurings. We define Free Cash Flow as net cash provided by operating activities less capital expenditures. We define Net Debt as short-term debt and

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long-term debt less cash and cash equivalents. We caution investors that amounts presented in accordance with our definitions of Adjusted Operating Income, Adjusted EBITDA, Free Cash Flow and Net Debt may not be comparable to similar measures disclosed by other companies (including the Marazzi Group), because not all companies and analysts calculate Adjusted Operating Income, Adjusted EBITDA, Free Cash Flow and Net Debt in the same manner. We present Adjusted Operating Income, Adjusted EBITDA, Free Cash Flow and Net Debt and the ratios derived therefrom because we consider them to be important supplemental measures of our performance and financial position and believe they are frequently used by securities analysts, investors and other interested parties in the evaluation of companies. In the Summary section of this prospectus supplement, we include a quantitative reconciliation of Adjusted Operating Income, Adjusted EBITDA, Free Cash Flow and Net Debt to the most directly comparable U.S. GAAP measure.

FORWARD-LOOKING STATEMENTS

Certain of the statements in this prospectus supplement, the accompanying prospectus and the other documents incorporated by reference in this prospectus supplement, particularly those anticipating future performance, business prospects, growth and operating strategies, proposed acquisitions, and similar matters, and those that include the words believes, anticipates, forecast, estimates or similar expressions constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. For those statements, Mohawk claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. There can be no assurance that the forward-looking statements will be accurate because they are based on many assumptions, which involve risks and uncertainties. The following important factors could cause future results to differ: changes in 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.

We do not have any intention or obligation to update forward-looking statements to reflect new information, future events or risks or the eventual outcome of the facts underlying the forward-looking statements. New information, future events or risks may cause the forward-looking events we discuss in this prospectus supplement, the accompanying prospectus and in the documents incorporated by reference not to occur or to occur in a manner different from what we expect.

The risk factors beginning on page S-11 of this prospectus supplement, as well as those discussed in the accompanying prospectus and in the documents incorporated by reference in this prospectus supplement, could cause our results to differ materially from those expressed in forward-looking statements. There may also be other risks that we are unable to predict at this time.

INCORPORATION OF CERTAIN INFORMATION BY REFERENCE

We file annual, quarterly and special reports, proxy statements and other information with the SEC. You may read and copy any document that we file at the Public Reference Room of the SEC at 100 F Street, N.E., Washington, DC 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site at http://www.sec.gov, from which interested persons can electronically access, among other things, the registration statement containing this prospectus supplement (including the exhibits and schedules thereto).

The SEC rules allow us to incorporate by reference information into this prospectus supplement and the accompanying prospectus. This means that we can disclose important information to you by referring you to another document. Any information referred to in this way is considered part of this prospectus supplement from the date we file that document. Any reports filed by us with the SEC after the date of this prospectus supplement will automatically update and, where applicable, supersede any information contained in this prospectus supplement or the accompanying prospectus or incorporated by reference.

We incorporate by reference into this prospectus supplement the following documents or information filed with the SEC (other than, in each case, documents or information deemed to have been furnished and not filed in accordance with SEC rules):

Our Annual Report on Form 10-K for the fiscal year ended December 31, 2011 (including the information specifically incorporated by reference into the Annual Report on Form 10-K from our Definitive Proxy Statement on Schedule 14A, filed with the SEC on April 3, 2012);

Our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2012, June 30, 2012 and September 29, 2012; and

Our Current Reports on Form 8-K filed on January 20, 2012, May 11, 2012, November 21, 2012, December 21, 2012 and January 28, 2013.

We will provide without charge to each person to whom this prospectus supplement is delivered, upon his or her written or oral request, a copy of any or all of the information that has been incorporated by reference into this prospectus supplement, excluding exhibits to those documents, unless they are specifically incorporated by reference into those documents. These documents are available on our website at http://www.mohawkind.com. You can also request those documents from our Corporate Secretary at the following address:

160 South Industrial Boulevard

Calhoun, Georgia 30701

(706) 629-7721

Except as expressly provided above, no other information, including information on our website, is incorporated by reference into this prospectus supplement.

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SUMMARY

Mohawk Industries, Inc.

Mohawk Industries, Inc. is a leading producer of floor covering products for residential and commercial applications in the United States and residential applications in Europe. We are the second largest carpet and rug manufacturer and one of the largest manufacturers, marketers and distributors of ceramic tile, natural stone and hardwood flooring in the United States, as well as a leading producer of laminate flooring in the United States and Europe. We have recently expanded our international presence through investments in Australia, China, Mexico and Russia. The Company had annual net sales in 2011 of $5,642.3 million, 76% of which was generated by the residential end market, with the remaining 24% generated by the commercial end market. Approximately 82% of this amount was generated by sales in North America and approximately 18% was generated by sales outside North America. Net sales for the twelve months ended September 29, 2012 were $5,730.6 million. Operating income for the twelve months ended September 29, 2012 was $349.9 million, representing an increase of 4.5% over the twelve months ended October 1, 2011.

We have three reporting segments: the Mohawk segment, the Dal-Tile segment and the Unilin segment. The Mohawk segment designs, manufactures, sources, distributes and markets its floor covering product lines, which include carpets, ceramic tile, laminate, rugs, carpet pad, hardwood and resilient, in a broad range of colors, textures and patterns for residential and commercial applications in both remodeling and new construction. The Mohawk segment positions its products in all price ranges and emphasizes quality, style, performance and service. The Mohawk segment is widely recognized through its premier brand names, which include Mohawk®, Aladdin®, Mohawk ColorCenters®, Mohawk Floorscapes®, Portico®, Mohawk Home®, Bigelow®, Durkan®, Horizon®, Karastan®, Lees®, Merit® and SmartStrand®. The Mohawk segment markets and distributes soft and hard surface products through over 24,000 customers, which include independent floor covering retailers, home centers, mass merchandisers, department stores, commercial dealers and commercial end users. Some products are also marketed through private labeling programs. The Mohawk segment s soft surface operations are vertically integrated from the extrusion of resin to the manufacturing and distribution of finished carpets and rugs.

The Dal-Tile segment designs, manufactures, sources, distributes and markets a broad line of ceramic tile, porcelain tile and natural stone products used in the residential and commercial markets for both remodeling and new construction. In addition, Dal-Tile sources, markets and distributes other tile related products. Most of the Dal-Tile segment s ceramic tile products are marketed under the Dal-Tile® and American Olean® brand names and sold through independent distributors, home center retailers, individual floor covering retailers, ceramic specialists, commercial dealers and commercial end users. The Dal-Tile segment operations are vertically integrated from the production of raw material for body and glaze preparation to the manufacturing and distribution of ceramic and porcelain tile.

The Unilin segment designs, manufactures, sources, licenses, distributes and markets laminate and hardwood flooring used primarily in the residential market for both remodeling and new construction in Europe and the United States. Unilin is one of the leaders in laminate flooring technology, having commercialized direct pressure laminate, a technology used in a majority of laminates today, and has developed the patented UNICLIC® glueless installation system and a variety of other new technologies, such as beveled edges, multiple length planks and new surface and finish features from which the Company generates licensing revenue. Unilin sells its flooring products under the Quick-Step®, Columbia Flooring®, Century Flooring® and Mohawk brands through retailers, independent distributors and home centers. Unilin is one of the largest vertically-integrated laminate flooring manufacturers in the United States producing both laminate flooring and related high density fiberboard. In Europe, Unilin also produces roofing systems, insulation panels and other wood products. The Unilin segment had net sales of $1,344.8 million in 2011, 80% of which was generated by sales outside of the

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United States. Of the Unilin segment s net sales in 2011, 68% was generated by flooring products, with the remaining 32% generated by non-flooring products.

Recent Developments

On December 19, 2012, we entered into a three-year, on-balance sheet, trade accounts receivable securitization facility, pursuant to which a wholly owned, bankruptcy-remote special purpose subsidiary of the Company may borrow up to $300 million.

On December 20, 2012, we entered into a definitive share purchase agreement (the Share Purchase Agreement) to acquire Fintiles S.p.A. and its subsidiaries (collectively, the Marazzi Group), an Italian-based producer of tile products for residential and commercial applications in Europe, Russia and the United States, pursuant to which we will acquire all of the outstanding shares of the Marazzi Group and retire substantially all outstanding debt of the Marazzi Group for an estimated transaction value of approximately 1,170 million, or $1,504.4 million, subject to certain adjustments set forth in the Share Purchase Agreement and plus transaction expenses. We currently expect that the aggregate cash required to retire substantially all of the Marazzi Group debt and to pay the cash portion of the purchase price and transaction expenses will be approximately $1,199.7 million, which we intend to fund through a combination of the proceeds from the sale of the notes, cash on hand and borrowings under our senior credit facility. The remainder of the purchase price, or approximately $317.2 million, will be paid with shares of the Company s common stock. We expect to complete the transaction during the first half of 2013 pending customary closing conditions and regulatory approvals.

The acquisition of the Marazzi Group is the next step in our strategy to expand Mohawk s global business. Ceramic tile remains the world s most widely utilized flooring product with an estimated worldwide consumption of more than 110 billion square feet and annual growth of 5% to 6%. The Marazzi Group s design and technological capabilities have positioned them at the forefront of innovation in the global ceramic tile market. The Marazzi Group distributes ceramic tile in more than 100 countries through a strong international sales force, which we believe will increase Mohawk s worldwide growth. The Marazzi Group s revenues for the year ended December 31, 2011 were approximately 833 million, or $1,070.5 million.

On January 10, 2013, we purchased Pergo, a leading manufacturer of laminate flooring in the United States and the Nordic countries, with 2011 sales of approximately $320 million. Pergo complements our specialty distribution network with its strong presence in the United States DIY channel, leverages our geographic position in Europe, particularly in the Nordic countries where we have had a limited presence, and enhances our patent portfolio.

Corporate Information

Our principal executive offices are located at 160 South Industrial Boulevard, Calhoun, Georgia 30701, and our telephone number is (706) 629-7721. Our website can be accessed at *www.mohawkind.com*. The contents of our website are not part of this prospectus supplement or the accompanying prospectus.

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Summary Consolidated Historical Financial Data of Mohawk

The summary historical financial data presented below as of and for the years ended December 31, 2009, 2010 and 2011, have been derived from Mohawk s audited consolidated financial statements incorporated by reference into this prospectus supplement. The summary historical financial data presented below as of or for the nine months ended October 1, 2011 and September 29, 2012 have been derived from Mohawk s unaudited consolidated financial statements incorporated by reference into this prospectus supplement. We believe that the unaudited financial statements have been prepared on a basis consistent with the audited financial statements and include all adjustments, which are normally recurring adjustments, necessary for a fair presentation of the results of operations for the periods presented. This information is only a summary and should be read in conjunction with the Company s consolidated financial statements and the notes thereto incorporated by reference into this prospectus supplement and the Management s Discussion and Analysis of Financial Condition and Results of Operations section contained in our Annual Report on Form 10-K for the year ended December 31, 2011 and our Quarterly Report on Form 10-Q for the quarter ended September 29, 2012.

		Years ended, or as of, December 31,			Nine months ended, or as of,	Nine months ended, or as of,
		2009	2010	2011	October 1, 2011	September 29, 2012
			(in millions, except ratios)			
Consolidated Statement of Operations:						
Net sales:						
Mohawk	$	2,856.7	2,844.9	2,927.7	2,203.7	2,186.2
Dal-Tile		1,426.8	1,367.4	1,454.3	1,105.8	1,214.7
Unilin		1,128.3	1,188.3	1,344.8	1,018.4	1,020.4
Intersegment sales		(67.8)	(81.5)	(84.5)	(64.0)	(69.0)
Consolidated	$	5,344.0	5,319.1	5,642.3	4,264.0	4,352.3
Gross profit	$	1,232.2	1,402.6	1,416.9	1,081.5	1,120.7
Operating income		43.7	314.2	315.5	249.2	283.6
Net earnings (loss) attributable to Mohawk Industries, Inc.		(5.5)	185.5	173.9	131.0	183.9
Balance Sheet Data:						
Long-term debt (including current portion)	$	1,854.5	1,653.6	1,586.4	1,611.3	1,524.9
Total stockholders equity		3,200.8	3,271.6	3,415.8	3,418.7	3,594.9
Cash Flows Data:						
Net cash provided by operating activities	$	672.2	319.7	301.0	138.2	298.5
Net cash used in investing activities		(114.8)	(231.5)	(299.7)	(206.4)	(142.0)
Net cash used in financing activities		(125.8)	(255.2)	(33.1)	(8.0)	(87.7)
Effect of exchange rate changes on cash and cash equivalents		6.4	(10.3)	(10.5)	(1.9)	
Net change in cash and cash equivalents	$	437.9	(177.2)	(42.3)	(78.1)	68.9
Other Financial Information:						
Adjusted EBITDA(1)	$	604.9	631.3	633.3	479.5	512.9
Adjusted Operating Income:(2)						
Mohawk			133.3	135.9	94.7	116.7
Dal-Tile			98.5	104.6	82.9	99.9
Unilin			115.9	127.1	105.5	98.6
Net Debt(3)			1,299.4	1,274.5	1,335.1	1,144.1
Free Cash Flow(4)			163.5	25.4	(44.1)	163.5
Ratio of earnings to fixed charges			2.1x	2.4x	2.4x	3.6x

(1) The Company had Adjusted EBITDA of $666.6 million for the twelve months ended September 29, 2012, compared to Adjusted EBITDA of $641.8 million for the twelve months ended October 1, 2011. The following table sets forth a reconciliation of operating income to Adjusted EBITDA. Adjusted EBITDA is defined as operating income, plus other income (expense), net earnings attributable to non-controlling interest, U.S. customs refund, and depreciation and amortization, and further adjusted to exclude unrealized foreign currency losses, operating lease corrections, the establishment of certain reserves relating to our commercial carpet tile business, higher cost inventory flow through and charges relating to certain business restructurings. We caution investors that amounts presented in accordance with our definition of Adjusted EBITDA may not be comparable to similar measures disclosed by other companies, because not all companies and analysts calculate Adjusted EBITDA in the same manner. We present Adjusted EBITDA because we consider it to be an important supplemental measure of our performance and believe it is frequently used by securities analysts, investors and other interested parties in the evaluation of companies. Adjusted EBITDA has several limitations. The term Adjusted EBITDA is not defined under U.S. GAAP, and Adjusted EBITDA is not a measure of net income, operating income or any other performance measure derived in accordance with U.S. GAAP.

	Years ended December 31,			Twelve months ended October 1,	Twelve months ended September 29,	Nine months ended October 1,	Nine months ended September 29, 2012
	2009	2010	2011	2011	2012	2011	
				(in millions)			
Consolidated							
Operating income	$ 43.7	314.2	315.5	334.9	349.9	249.2	283.6
Add:							
Other (expense) income	5.6	3.9	(14.1)	(12.8)	0.8	(13.8)	1.1
Net earnings attributable to non-controlling interest	(4.5)	(4.5)	(4.3)	(5.0)	(1.6)	(3.3)	(0.6)
U.S. customs refund		7.7		2.0			
Depreciation and amortization	303.0	296.8	297.7	297.3	291.3	222.8	216.4
Unrealized foreign currency losses[a]			9.1	9.1		9.1	
Operating lease correction[b]			6.0		6.0		
Commercial carpet tile reserve	133.5						
Higher cost inventory flow through	61.8						
Business restructurings	61.7	13.2	23.2	15.6	20.2	15.5	12.5
Adjusted EBITDA	$ 604.9	631.3	633.3	641.0	666.6	479.5	512.9

(a) Unrealized foreign currency losses for certain of the Company s consolidated foreign subsidiaries that measure their financial condition and results using the U.S. dollar rather than the local currency.

(b) Correction of an immaterial error related to accounting for operating leases.

(2) The tables below set forth a reconciliation of operating income to Adjusted Operating Income for each of our reporting segments. Adjusted Operating Income is defined as operating income, excluding operating lease corrections and certain charges relating to business restructurings. We present Adjusted Operating Income because we consider it to be an important supplemental measure of our performance by excluding certain matters that are not related to the performance of our core business. We caution investors that amounts presented in accordance with our definition of Adjusted Operating Income may not be comparable to similar measures disclosed by other issuers, because not all issuers and analysts calculate Adjusted

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Operating Income in the same manner. Adjusted Operating Income is not defined under U.S. GAAP and is not a measure of operating income or performance derived in accordance with U.S. GAAP.

	Years ended December 31, 2010	Years ended December 31, 2011	Nine months ended October 1, 2011	Nine months ended September 29, 2012
		(in millions)		
Mohawk Adjusted Operating Income				
Operating income	$ 122.9	109.9	79.2	106.2
Add:				
Business restructurings	10.3	23.2	15.5	10.5
Operating lease correction(a)		2.8		
Adjusted Operating Income	$ 133.3	135.9	94.7	116.7
Dal-Tile Adjusted Operating Income				
Operating income	$ 97.3	101.3	82.9	99.9
Add:				
Business restructurings	1.2			
Operating lease correction(a)		3.3		
Adjusted Operating Income	$ 98.5	104.6	82.9	99.9
Unilin Adjusted Operating Income				
Operating income	$ 114.3	127.1	105.5	96.6
Add:				
Business restructurings	1.6			2.0
Operating lease correction(a)				
Adjusted Operating Income	$ 115.9	127.1	105.5	98.6

Notes:

(a) Correction of an immaterial error related to accounting for operating leases.

(3) The table below sets forth a reconciliation of long-term debt and short-term debt to Net Debt. Net Debt is defined as long-term debt and short-term debt less cash and cash equivalents. The Company s management believes that the presentation of Net Debt provides useful information to investors because this measure is an important measure that management uses in assessing the Company s financial position. Net Debt is a financial measure not calculated in accordance with U.S. GAAP. Net Debt should be considered in addition to results prepared in accordance with U.S. GAAP, but should not be considered a substitute for or superior to U.S. GAAP results. In addition, our Net Debt may not be comparable to similarly titled measures utilized by other companies since such other companies may not calculate such measures in the same manner as we do.

	December 31, 2010	December 31, 2011	October 1, 2011	September 29, 2012
		(in millions)		
Long-term debt (including current portion of long-term debt)	$ 1,653.6	1,586.4	1,611.3	1,524.9

Less:

Cash and cash equivalents		354.2	311.9	276.2	380.8
Net Debt	$	1,299.4	1,274.5	1,335.1	1,144.1

(4) The table below sets forth a reconciliation of net cash provided by operating activities to Free Cash Flow. Free Cash Flow represents net cash provided by operating activities less capital expenditures. We believe Free Cash Flow is a useful adjunct to cash flow provided by operating activities and other measurements under U.S. GAAP, since Free Cash Flow is a meaningful measure of our ability to fund acquisition and development activities and meet our debt service requirements. Free Cash Flow

is not a measure of financial performance under U.S. GAAP and should not be considered as an alternative to cash flows from operating, investing or financing activities, as an indicator of cash flows or as a measure of liquidity.

	Years ended December 31, 2010	2011	Nine months ended October 1, 2011	Nine months ended September 29, 2012
		(in millions)		
Net cash provided by operating activities	$ 319.7	301.0	138.2	298.5
Less:				
Capital expenditures	156.2	275.6	182.3	135.0
Free Cash Flow	$ 163.5	25.4	(44.1)	163.5

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Summary Consolidated Historical Financial Data of the Marazzi Group

The summary historical financial data of the Marazzi Group presented below as of and for the year ended December 31, 2011 have been derived from the Marazzi Group s audited consolidated financial statements incorporated by reference into this prospectus supplement, and as of and for the nine months ended September 30, 2011 and 2012, have been derived from the unaudited historical consolidated financial statements of the Marazzi Group, presented in accordance with International Financial Reporting Standards (IFRS), incorporated by reference into this prospectus supplement.

	As of and for the year ended December 31, 2011	For the nine months ended September 30, 2011 (in millions)	As of and for the nine months ended September 30, 2012
Consolidated statement of operations:			
Revenues	832.5	628.1	649.9
Gross profit	298.6	228.7	241.6
Earnings before financial income (charges) and taxes	57.3	53.7	58.2
Group profit (loss)	(3.4)	3.1	7.2
Balance sheet data:			
Long-term loans (including current portion)[(1)]	621.6		624.1
Total Group shareholders equity	167.6		179.3
Cash flows data:			
Net cash flow from operations	26.5	24.8	26.9
Net cash flow from investing activities	(60.0)	(44.0)	(53.0)
Net cash flow from financing activities	34.2	18.0	(1.2)
Effect of currency movements on net available funds	(0.5)	(2.0)	1.5
Increase (decrease) in net liquidity	0.2	(3.2)	(25.9)
Other financial data:			
Adjusted EBITDA[(2)]	129.0	97.3	105.0

Notes:

(1) Excludes securitized trade receivables of 68.8 million, 67.9 million and 66.9 million for the periods ended December 31, 2011, September 30, 2011 and September 30, 2012.

(2) The following table sets forth a reconciliation of earnings before financial income (charges) and taxes to Adjusted EBITDA for the Marazzi Group.

	Year ended December 31, 2011	Nine months ended September 30, 2011 (in millions)	Nine months ended September 30, 2012
Earnings before financial income (charges) and taxes	57.3	53.7	58.2
Add:			
Restructuring charges and asset write-downs	14.2	4.7	2.8
Currency gains	1.6	(2.4)	1.4
Share of expenses from equity investments	(0.3)	0.1	(3.7)
Non-controlling interest income	(1.8)	(1.9)	(0.8)
Depreciation and amortization	58.0	43.1	47.1
Adjusted EBITDA	129.0	97.3	105.0

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Summary Unaudited Pro Forma Condensed Consolidated Financial Data

The following table sets forth our summary pro forma statement of operations data for the year ended December 31, 2011 and the nine months ended September 29, 2012, after giving effect to the acquisition of Fintiles S.p.A., or the Marazzi Group, as if it had occurred on January 1, 2011. The following table also sets forth our summary pro forma balance sheet data as of September 29, 2012, after giving effect to the acquisition of the Marazzi Group as if it had occurred on September 29, 2012.

This summary financial data was derived from the audited historical Consolidated Statement of Income of Fintiles S.p.A. for the year ended December 31, 2011 and from the unaudited historical Consolidated Statement of Income for the nine months ended September 30, 2012, which were prepared by management of Fintiles S.p.A., and adjustments to conform Fintiles S.p.A. s consolidated financial statements, presented in accordance with IFRS, with U.S. GAAP, combined with our Consolidated Statement of Income for the year ended December 31, 2011 and for the nine months ended September 29, 2012, with acquisition-related adjustments reflected in the period presented.

The following table should be read in conjunction with Unaudited Pro Forma Condensed Consolidated Financial Information beginning on page S-16 of this prospectus supplement, Management s Discussion and Analysis of Financial Condition and Results of Operations and Mohawk s and the Marazzi Group s respective historical consolidated financial statements and the notes thereto incorporated by reference into this prospectus supplement.

	For the year ended December 31, 2011			As of or for the nine months ended September 29, 2012		
	Mohawk ($)	Fintiles S.p.A. (U.S. GAAP) ($)	Mohawk & Fintiles S.p.A. Pro Forma Combined ($)	Mohawk ($)	Fintiles S.p.A.[1] (U.S. GAAP) ($)	Mohawk & Fintiles S.p.A. Pro Forma Combined ($)
Statement of operations data:						
Net sales	5,642.3	1,070.5	6,712.7	4,352.3	835.7	5,188.0
Cost of sales	4,225.4	681.8	4,948.1	3,231.6	520.3	3,759.5
Gross profit	1,416.9	388.7	1,764.6	1,120.7	315.4	1,428.5
Selling, general and administrative expenses	1,101.3	308.0	1,418.4	837.1	249.5	1,093.6
Restructuring charges and asset write-downs[2]		18.3	18.3		3.5	3.5
Operating income	315.5	62.4	327.9	283.6	62.4	331.4
Interest expense	101.6	53.6	133.5	59.3	37.9	83.2
Other expense (income)	14.1	(15.2)	(3.6)	(1.1)	(8.0)	(11.1)
Earnings before income taxes	199.9	24.0	198.0	225.4	32.5	259.3
Income tax expense	21.6	32.1	43.5	40.9	29.5	68.9
Net earnings (loss)	178.2	(8.1)	154.5	184.5	3.0	190.4
Less: Net earnings attributable to noncontrolling interest	4.3	2.3	6.6	0.6	1.1	1.7
Net earnings (loss) attributable to Mohawk Industries, Inc.	173.9	(10.4)	147.9	183.9	1.9	188.7
Balance sheet data:						
Total assets				6,302.6	1,333.6	8,118.7
Long-term debt (including current portion)				1,524.9	824.4	2,426.5
Total stockholders equity				3,594.9	76.2	3,899.6

Notes:

(1) As of or for the period ended September 30, 2011.

(2) Mohawk restructuring charges were $23.2 million and $12.5 million for the year ended December 31, 2011 and the nine months ended September 29, 2012, respectively.

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THE OFFERING

The following summary contains basic information about the notes and is not intended to be complete. For a more complete understanding of the notes, please refer to the section entitled Description of the Notes in this prospectus supplement and Description of Debt Securities in the accompanying prospectus.

Issuer	Mohawk Industries, Inc.
Notes Offered	$ initial aggregate principal amount of % senior notes due 2023 (referred to as the notes).
Interest Rate	The notes will bear interest at the rate of % per year.
Maturity Date	The notes will mature on , 2023.
Interest Payment Dates	and of each year, commencing on , 2013.
Optional Redemption	Prior to , 2022 (90 days prior to the scheduled maturity of the notes), we may redeem the notes, in whole or in part, at any time and from time to time at the make whole redemption price described in Description of the Notes Optional Redemption in this prospectus supplement, plus accrued and unpaid interest on the principal amount being redeemed to the redemption date.
	Commencing on , 2022 (90 days prior to the scheduled maturity of the notes), we may redeem the notes, in whole or in part, at any time and from time to time, at a redemption price equal to 100% of the principal amount of the notes being redeemed plus accrued and unpaid interest to the redemption date. See Description of the Notes Optional Redemption in this prospectus supplement.
Change of Control	Upon a Change of Control Triggering Event, holders of the notes will have the right to require us to repurchase all or a portion of their notes at the purchase price described in Description of the Notes Offer to Repurchase Upon Change of Control Triggering Event in this prospectus supplement.
Special Mandatory Redemption	In the event that we do not complete our acquisition of the Marazzi Group on or prior to January 25, 2014 or if, prior to that date, the Share Purchase Agreement with respect to the acquisition is terminated, we will be required to redeem all of the notes on the special mandatory redemption date at a redemption price equal to 101% of the aggregate principal amount of the notes, plus accrued and unpaid interest thereon to, but not including, the special mandatory redemption date. See Description of the Notes Special Mandatory Redemption in this prospectus supplement.

Ranking	The notes will be our general unsecured obligations and will rank:
	equal in right of payment to all of our existing and future

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	unsecured indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to the notes;
	senior in right of payment to any of our future indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the notes;
	to the extent we incur secured indebtedness in the future, effectively subordinated to all of our secured indebtedness and other secured obligations to the extent of the value of the assets securing such indebtedness and other obligations; and
	structurally subordinated to all existing and future indebtedness and other liabilities (including trade payables) of our subsidiaries.
	As of September 29, 2012, after giving effect to this offering and the use of proceeds therefrom, we had consolidated total indebtedness of approximately $2,426.5 million. This includes borrowings of $874.4 million under our senior credit facility, which is currently unsecured. As of September 29, 2012, all of our indebtedness was unsecured. See Risk Factors The Notes are Unsecured Obligations in this prospectus supplement.
Covenants	The indenture and the supplemental indenture governing the notes will contain covenants that, subject to exceptions and qualifications, limit our ability and the ability of our subsidiaries to create liens, enter into sale and leaseback transactions and limit our ability to consolidate, merge or transfer all or substantially all of our assets.
Use of Proceeds	We intend to use the net proceeds of this offering, along with cash on hand and borrowings under our senior credit facility, to retire substantially all of the Marazzi Group s outstanding debt and to pay the cash portion of the purchase price and transaction expenses incurred in connection with our acquisition of the Marazzi Group. See Use of Proceeds in this prospectus supplement. This offering is not conditioned upon the completion of our acquisition of the Marazzi Group.
Additional Issuances	We may re-open the notes and issue an unlimited principal amount of additional notes in the future. See Description of the Notes General in this prospectus supplement.
Risk Factors	See Risk Factors beginning on page S-11 of this prospectus supplement and the other information included or incorporated by reference in this prospectus supplement and the accompanying prospectus for a discussion of certain factors you should carefully consider before deciding to invest in the notes.

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RISK FACTORS

Before making a decision to invest in the notes, you should carefully consider the following:

- *the risk factors described below and those contained in the documents incorporated by reference in this prospectus supplement and the accompanying prospectus; and*

- *the other information included in this prospectus supplement, the accompanying prospectus and incorporated by reference in this prospectus supplement and the accompanying prospectus.*

The Notes Will Be Effectively Subordinated to All Liabilities of Our Subsidiaries.

Because we operate as a holding company, the notes are effectively subordinated to all existing and future indebtedness and other liabilities of our subsidiaries. Our subsidiaries are the operating entities which generate revenues. As a result, we will be dependent upon dividends, administrative expense reimbursements, and intercompany transfers of funds from our subsidiaries to meet our payment obligations on the notes. In addition, in the event of our bankruptcy, liquidation or any similar proceeding, holders of notes will be entitled to payment only after the holders of any indebtedness and other liabilities of our subsidiaries have been paid or provided for by these subsidiaries.

We Have Financial and Operating Restrictions in Our Debt Instruments That May Have an Adverse Effect on Our Operations.

Agreements governing our existing indebtedness contain covenants that limit our ability to incur additional indebtedness, to create liens or other encumbrances, to enter into sale and leaseback transactions, to make certain payments and investments, including dividend payments, and to sell or otherwise dispose of assets and merge or consolidate with other entities. Our senior credit facility also requires us to meet certain financial ratios and tests. As of September 29, 2012, after taking into account these ratios and tests (and prior to borrowings by our subsidiary under its securitization facility and the issuance of notes offered hereby), we had the ability to incur additional indebtedness of up to approximately $1,201.7 million under such ratios, including $376.0 million of borrowing capacity under our senior credit facility. Agreements we enter into in the future governing indebtedness could also contain significant financial and operating restrictions.

A failure to comply with the obligations contained in our current or future credit facilities or indentures could result in an event of default or an acceleration of debt under other instruments that may contain cross-acceleration or cross-default provisions. We cannot be certain that we would have, or be able to obtain, sufficient funds to make these accelerated payments.

The Notes Are Unsecured Obligations

The notes will not be secured by any of our assets and are effectively subordinated to any of our existing and future secured indebtedness to the extent of the value of the assets securing that indebtedness. Accordingly, in the event of our bankruptcy, liquidation or any similar proceeding, holders of the notes will be entitled to payment only after the holders of any of our secured indebtedness have been paid, to the extent of the value of the assets securing that indebtedness. Although, as of September 29, 2012, we did not have any secured indebtedness outstanding, our senior credit facility requires us to reinstate the security interests in certain of our assets in the event that Standard & Poor s Financial Services, LLC and Moody s Investor s Service, Inc. make certain adverse changes to our credit ratings. As of September 29, 2012, we had $670.2 million of outstanding borrowings, including letters of credit of $97.4 million, under our senior credit facility with $376.0 million of additional borrowings available under our senior credit facility. If we are required to reinstate the security interests under our senior credit facility, the notes will be effectively subordinated to borrowings under our senior credit facility to the extent of the value of the assets securing the obligations outstanding under the senior credit facility. In addition, the indentures governing our existing notes and the notes being offered hereby do not prohibit us from incurring additional indebtedness, including secured indebtedness.

On December 19, 2012, we entered into a three-year, on-balance sheet, trade accounts receivable securitization facility, pursuant to which a wholly owned, bankruptcy-remote special purpose subsidiary of the Company may borrow up to $300 million. Borrowings under the securitization facility are secured by accounts receivable purchased by such special purpose subsidiary, and as such are structurally senior to the notes.

We May Not Have the Ability to Raise the Funds Necessary to Finance the Offer to Repurchase the Notes Upon a Change of Control Triggering Event.

Upon the occurrence of a Change of Control Triggering Event with respect to the notes, we will be required to offer to repurchase all outstanding notes at the purchase price. See Description of the Notes Offer to Repurchase Upon Change of Control Triggering Event in this prospectus supplement. We cannot assure you that we will have sufficient funds available to make any required repurchases of the notes upon a Change of Control Triggering Event. In addition, the Change of Control that triggers the Change of Control Triggering Event may also result in a default under our senior credit facility. Any failure to purchase tendered notes would constitute a default under the indenture governing the notes. A default could result in the declaration of the principal and interest on all the notes and our other indebtedness to be due and payable. The terms Change of Control and Change of Control Triggering Event are defined under Description of the Notes.

If the Acquisition of the Marazzi Group Does Not Close Prior to January 25, 2014, or the Share Purchase Agreement Terminates, We Will be Obligated to Redeem the Notes. In the Event of a Special Mandatory Redemption, Holders of the Notes May Not Obtain Their Expected Return on Such Notes.

The acquisition of the Marazzi Group is subject to certain conditions and, accordingly, there can be no assurance that the transaction will close. If the acquisition of the Marazzi Group does not close prior to January 25, 2014, or the Share Purchase Agreement terminates, we will be obligated to redeem the notes. If we redeem the notes pursuant to the special mandatory redemption provisions, you will not obtain your expected return on the notes and may not be able to reinvest the proceeds from such special mandatory redemption in an investment that results in a comparable return. In addition, as a result of the special mandatory redemption provisions of the notes, the trading prices of the notes may not reflect the financial results of our business or macroeconomic factors. You will have no rights under the special mandatory redemption provisions if the acquisition of the Marazzi Group closes, nor will you have any right to require us to repurchase your notes if, between the closing of this offering and the completion of the acquisition of the Marazzi Group, we experience any changes (including any material adverse changes) in our business or financial condition, or if the terms of the Share Purchase Agreement change, including in material respects.

A Liquid Trading Market for the Notes May Not Develop.

There has not been an established trading market for the notes. We do not intend to apply for listing of the notes on any securities exchange or for quotation through any automated dealer quotation system. Although the underwriters have informed us that they currently intend to make a market in the notes, they have no obligation to do so and may discontinue making a market at any time without notice. The liquidity of any market for the notes will depend on the number of holders of the notes, our performance, the market for similar securities, the interest of securities dealers in making a market in the notes and other factors. A liquid trading market may not develop for the notes. In the absence of an active trading market, you may not be able to transfer the notes within the time or at the price you desire.

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RATIO OF EARNINGS TO FIXED CHARGES

The following table sets forth our consolidated ratio of earnings to fixed charges for the periods indicated:

	For the nine months ended September 29, 2012	For the years ended December 31,				
		2011	2010	2009	2008	2007
Ratio of earnings to fixed charges(1)	3.6x	2.4x	2.1x	*	**	4.1x

(1) For the purposes of determining the ratio of earnings to fixed charges, earnings consist of income before income taxes, fixed charges and amortization of capitalized interest less capitalized interest. Fixed charges include gross interest expense, amortization of deferred financing expenses and an amount equivalent to interest included in rental charges. One-third of rental expense represents a reasonable approximation of the interest amount.

* Due to warranty claims related to the performance of certain commercial carpet tile, the ratio was less than 1:1. The Company would need to generate additional earnings before income taxes of $76.8 million to achieve a coverage ratio of 1:1.

**Due to a loss from impairment of goodwill and intangible assets in 2008, the ratio coverage was less than 1:1. The Company would need to generate additional earnings before income taxes of $1,273.8 million to achieve a coverage ratio of 1:1.

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CAPITALIZATION

The following table sets forth the historical unaudited cash and cash equivalents and capitalization of Mohawk as of September 29, 2012:

- on an actual basis; and

- on an as adjusted basis to reflect the issuance and sale of the notes and the use of the estimated net proceeds thereof, along with the use of cash on hand and borrowings under our senior credit facility, to complete our acquisition of the Marazzi Group as described under Summary Recent Developments.

	September 29, 2012	
	Actual	As Adjusted[(1)]
	(in millions)	
Cash and cash equivalents	$ 380.8	$
Long-Term Debt:		
Senior credit facility[(2)]	$ 572.9	$
6.125% senior notes due 2016	900.0	
% senior notes due 2023 offered hereby		
Other long-term liabilities[(3)]	52.1	
	1,524.9	
Total stockholders equity	3,594.9	
Total capitalization	$ 5,119.8	$

(1) The As Adjusted column is not adjusted for our investment in Pergo, or other acquisitions, investments and events that occurred subsequent to September 29, 2012.

(2) As of September 29, 2012, $97.4 million of standby letters of credit were issued and $376.0 million of additional borrowings were available under our senior credit facility.

(3) Other long-term liabilities includes industrial revenue bonds, capital leases and other liabilities. On December 19, 2012, we entered into a securitization facility, pursuant to which a subsidiary of the Company may borrow up to $300 million. As of December 31, 2012, that subsidiary had drawn $280.0 million under the securitization facility and used the amounts drawn to repay outstanding borrowings under the revolving portion of our senior credit facility.

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USE OF PROCEEDS

We intend to use the net proceeds of this offering, along with cash on hand and borrowings under the revolving portion of our senior credit facility, to retire substantially all of the Marazzi Group s outstanding debt and to pay the cash portion of the purchase price and transaction expenses incurred in connection with our acquisition of the Marazzi Group. See Summary Recent Developments in this prospectus supplement. We currently expect that the aggregate cash required, including the net proceeds from this offering, to retire substantially all of the Marazzi Group s outstanding debt and to pay the cash portion of the purchase price and transaction expenses will be approximately $1,199.7 million.

This offering is not conditioned upon the completion of our acquisition of the Marazzi Group, and there can be no assurance that we will consummate such acquisition. In the event that our acquisition of the Marazzi Group is not consummated on or before January 25, 2014 or the Share Purchase Agreement is terminated any time on or before such date, we intend to use the net proceeds of this offering and the additional borrowings and available cash described above to fund the special mandatory redemption of all of the notes at a redemption price equal to 101% of the principal amount of the notes, plus accrued and unpaid interest to, but excluding, the special mandatory redemption date. See Description of the Notes Special Mandatory Redemption in this prospectus supplement.

Pending use of the net offering proceeds as described above, we intend to invest the net proceeds in short-term interest-bearing accounts, securities or similar investments.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The following unaudited pro forma condensed consolidated financial information is presented to illustrate the estimated effects of the pending acquisition (the Acquisition) by Mohawk of the entire issued share capital of Fintiles, S.p.A., an Italian corporation (together with its subsidiaries, the Marazzi Group, and together with Mohawk, referred to as the Combined Entity), which was announced on December 20, 2012 and the assumed aggregate issuance, by Mohawk of $600.0 million of senior notes (the Notes) and the related financing transactions on Mohawk s historical financial position and Mohawk s results of operations. The terms of the Acquisition are described in Note 1: Description of Acquisition and the financing transactions are described in Note 6: Proposed Financing Transactions.

The following unaudited pro forma condensed consolidated balance sheet as of September 29, 2012 and unaudited pro forma condensed consolidated statement of operations for the nine months ended September 29, 2012, are based upon and derived from and should be read in conjunction with the historical unaudited consolidated financial statements of Mohawk and historical unaudited consolidated financial information of the Marazzi Group (as of and for the period ended September 30, 2012) prepared in accordance with IFRS, which was adjusted to reflect the Marazzi Group s consolidated financial statements on a U.S. GAAP basis. The following unaudited pro forma condensed consolidated statement of operations for the year ended December 31, 2011 is based upon and derived from and should be read in conjunction with the historical audited consolidated financial statements of Mohawk and the historical audited IFRS consolidated financial statements of Marazzi Group for the year ended December 31, 2011, which were adjusted to reflect the Marazzi Group s consolidated financial statements on a U.S. GAAP basis. The IFRS to U.S. GAAP adjustments are unaudited. The Acquisition will be accounted for as a business combination using the acquisition method of accounting under the provisions of Accounting Standards Codification (ASC) 805, Business Combinations, (ASC 805). The unaudited pro forma condensed consolidated financial statements set forth below give effect to the acquisition of the Marazzi Group for consideration of 1,170 million ($1,504.4 million), subject to certain adjustments, including cash consideration of $317 million, equity of $317 million and assumed debt of $910 million; and the assumed issuance of $600.0 million aggregate principal amount of the notes to be offered hereby.

The unaudited pro forma condensed consolidated statements of operations for the year ended December 31, 2011 and the nine months ended September 29, 2012 assume the Acquisition was completed on January 1, 2011. The unaudited pro forma condensed consolidated balance sheet as of September 29, 2012 assumes the Acquisition was completed on September 29, 2012. The pro forma adjustments are preliminary and are based upon available information and certain assumptions, described in the accompanying notes to the unaudited pro forma condensed consolidated financial information that Mohawk s management believes are reasonable under the circumstances. Actual results may differ materially from the assumptions within the accompanying unaudited pro forma condensed consolidated financial information. The unaudited pro forma condensed consolidated financial information has been prepared by Mohawk s management in accordance with the regulations of the SEC and is not necessarily indicative of the condensed consolidated financial position or results of operations that would have been realized had the Acquisition occurred as of the dates indicated, nor is it meant to be indicative of any anticipated condensed consolidated financial position or future results of operations that the Combined Entity will experience after the Acquisition. In addition, the accompanying unaudited pro forma condensed consolidated statements of operations do not include any expected cost savings or restructuring actions which may be achievable subsequent to the Acquisition or the impact of any non-recurring activity and one-time transaction related costs. Certain financial information of the Marazzi Group as presented in its consolidated financial statements has been reclassified to conform to the historical presentation in Mohawk s consolidated financial statements for purposes of preparation of the unaudited pro forma condensed consolidated financial information.

This unaudited pro forma condensed consolidated financial information should be read in conjunction with the accompanying notes and assumptions as well as the historical consolidated financial statements and related notes of Mohawk contained in its Annual Report on Form 10-K and Quarterly Reports on Form 10-Q filed by Mohawk with the SEC and the historical consolidated financial statements and related notes of the Marazzi Group filed as Exhibit 99.1 and Exhibit 99.2 to Mohawk s Current Report on Form 8-K filed on January 28, 2013 and incorporated by reference in this prospectus supplement.

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Mohawk Industries, Inc. and Subsidiaries

Unaudited Pro Forma Condensed Consolidated Balance Sheet

September 29, 2012

(in thousands)

	Historical		Fintiles				
ASSETS	**Mohawk Industries ($)**	**Fintiles S.p.A [(1)] (IFRS) ( )**	**S.p.A U.S. GAAP adjustments (Note 4) ( )**	**Fintiles S.p.A U.S. GAAP ( )**	**Fintiles S.p.A U.S. GAAP ($)**	**Pro Forma Adjustments (Note 7) ($)**	**Pro Forma Combined ($)**
Current assets:							
Cash and cash equivalents	380,842	40,723	-	40,723	52,362	(317,187) (b)	82,743
						896,700 (c)	
						(910,454) (d)	
						(17,179) (h)	
						10,158 (l)	
						(12,500) (k)	
Receivables, net	817,214	168,881	-	168,881	217,147	86,020 (g)	1,120,381
Inventories	1,139,403	296,624	-	296,624	381,399	30,512 (e)	1,551,314
Prepaid expenses	128,497	-	-	-	-	-	128,497
Deferred income taxes	112,995	-	13,543 (c)	13,543	17,414	-	130,409
Other current assets	17,778	48,596	(1,600) (d)	46,996	60,427	(10,158) (l)	68,047
Total current assets	2,596,729	554,824	11,943	566,767	728,749	(244,087)	3,081,391
Property, plant and equipment, net	1,657,226	532,319	(130,475) (a)	405,332	521,176	284,121 (e)	2,462,523
			3,488 (d)				
Goodwill	1,371,494	3,497	-	3,497	4,496	(4,496) (a)	1,540,564
						169,070 (j)	
Trade names	448,425	-	-	-	-	257,160 (f)	705,585
Other intangible assets, net	105,832	30,674	(6,278) (b)	23,833	30,644	20,788 (f)	157,264
			(563) (d)				
Investment property	-	4,763	(4,763) (d)	-	-	-	-
Non-current financial assets	-	1,277	-	1,277	1,642	(1,642) (l)	-
Equity method investments	-	14,107	-	14,107	18,139	-	18,139
Other investments	-	1,741	-	1,741	2,239	(2,239) (l)	-
Deferred tax assets	-	49,555	-	49,555	63,718	(63,718) (l)	-
Other non-current assets	-	3,338	-	3,338	4,292	(4,292) (l)	-
Assets held for sale	-	14,359	-	14,359	18,465	(18,465) (l)	-
Deferred income taxes and other non-current assets	122,906	-	(46,622) (c)	(46,622)	(59,947)	4,900 (c)	153,215
						90,356 (l)	
						(5,000) (i)	
Total assets	6,302,612	1,210,454	(173,270)	1,037,184	1,333,613	482,456	8,118,681
LIABILITIES AND STOCKHOLDERS EQUITY							
Current liabilities:							
Current portion of long-term debt	57,673	57,727	-	57,727	74,225	(160,245) (d)	57,673
						86,020 (g)	
Accounts payable and accrued expenses	761,186	253,444	-	253,444	325,878	-	1,087,064
Total current liabilities	818,859	311,171	-	311,171	400,103	(74,225)	1,144,737
Deferred income taxes	329,190	71,611	(76,519) (c)	(4,908)	(6,311)	176,800 (m)	499,679
Long-term debt, less current portion	1,467,269	583,457	-	583,457	750,209	(750,209) (d)	2,368,869
						901,600 (c)	
Other long-term liabilities	92,359	59,533	23,248 (c)	82,781	106,440	1,461 (l)	200,259

Liabilities related to assets held for sale	-	1,135	-	1,135	1,461	(1,461) (l)	-
Total liabilities	2,707,677	1,026,907	(53,271)	973,636	1,251,902	253,966	4,213,545
Total stockholders equity	3,594,935	179,259	(94,167) (a)	59,260	76,197	(76,197) (a)	3,899,622
			(4,532) (b)			317,187 (b)	
			(18,831) (c)			(12,500) (k)	
			(2,469) (d)				
Noncontrolling interest	-	4,288	-	4,288	5,514	-	5,514
Total liabilities and stockholders equity	6,302,612	1,210,454	(173,270)	1,037,184	1,333,613	482,456	8,118,681

(1) The historical balance sheet of Fintiles S.p.A is as of September 30, 2012.

See accompanying notes to Unaudited Pro Forma Condensed Combined Financial Information.

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Mohawk Industries, Inc. and Subsidiaries

Unaudited Pro Forma Condensed Consolidated Statement of Operations

For the Nine Months Ended September 29, 2012

(in thousands, except per share amounts)

	Historical		Fintiles				
	Mohawk Industries ($)	Fintiles S.p.A [1] (IFRS) ( )	Fintiles S.p.A U.S. GAAP adjustments (Note 4) ( )	Fintiles S.p.A U.S. GAAP ( )	Fintiles S.p.A U.S. GAAP ($)	Pro Forma Adjustments (Note 7) ($)	Pro Forma Combined ($)
Net sales	4,352,321	649,933	-	649,933	835,684	-	5,188,005
Cost of sales	3,231,594	408,322	(781) (a)	404,633	520,277	7,585 (e)	3,759,456
			(2,940) (b)				
			32 (d)				
Gross profit	1,120,727	241,611	3,689	245,300	315,407	(7,585)	1,428,549
Selling, general and administrative expenses	837,079	190,703	1,763 (b)	194,064	249,527	1,435 (e)	1,093,610
			1,598 (c)			1,912 (f)	
						1,670 (h)	
						1,987 (l)	