

INTERFACE INC  
Form S-4  
July 29, 2009

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File Number: 333-\_\_\_\_\_

Securities and Exchange Commission on July 29, 2009.

As filed with the

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

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FORM S-4  
REGISTRATION STATEMENT  
UNDER  
THE SECURITIES ACT OF 1933

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INTERFACE, INC.  
(Exact Name of Registrant as Specified in Its Charter)

Georgia	2822	58-1451243
(State or Other Jurisdiction of Incorporation or Organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

2859 Paces Ferry Road, Suite 2000, Atlanta, Georgia 30339  
(770) 437-6800

(Address, Including Zip Code, and Telephone Number, Including Area Code, of Registrant's Principal Executive  
Offices)

Raymond S. Willoch, Esquire  
Senior Vice President-Administration, General Counsel and Secretary  
Interface, Inc.

2859 Paces Ferry Road, Suite 2000, Atlanta, Georgia 30339  
(770) 437-6800

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:  
W. Randy Eaddy, Esquire  
Kilpatrick Stockton LLP  
1100 Peachtree Street, Atlanta, Georgia 30309-4530  
Telephone: (404) 815-6500

Approximate date of commencement of proposed sale to the public: \_\_\_\_\_, 2009.

If the securities being registered on this Form are being offered in connection with the formation of a holding  
company and there is compliance with General Instruction G, check the following box:

If this form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering:

If this form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier registration statement for the same offering:

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

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

If applicable, place an X in the box to designate the appropriate rule provision relied upon in conducting this transaction:

Exchange Act Rule 13e-4(i) (Cross-Border Issuer Tender Offer)   
 Exchange Act Rule 14d-1(d) (Cross-Border Third-Party Tender Offer)

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be Registered	Proposed Maximum Offering Price per Unit (1)	Proposed Maximum Aggregate Offering Price	Amount of registration fee
11 3/8 % Senior Secured Notes, Series B, Due 2013	\$150,000,000	100%	\$150,000,000	\$8,370
Subsidiary Guarantees (2)	(3)	(3)	(3)	(3)

- (1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(f).
- (2) The Company’s material U.S. domestic subsidiaries – InterfaceFLOR, LLC, Bentley Prince Street, Inc., Bentley Mills, Inc., Commercial Flooring Systems, Inc., Flooring Consultants, Inc., Interface Americas, Inc., Interface Architectural Resources, Inc., Interface Overseas Holdings, Inc., FLOR, Inc., Quaker City International, Inc., Re:Source Americas Enterprises, Inc., Re:Source Minnesota, Inc., Re:Source North Carolina, Inc., Re:Source New York, Inc., Re:Source Oregon, Inc., Re:Source Southern California, Inc., Re:Source Washington, D.C., Inc., Southern Contract Systems, Inc., Superior/Reiser Flooring Resources, Inc., Interface Global Company ApS, InterfaceSERVICES, Inc., Interface Real Estate Holdings, LLC, Interface Americas Holdings, LLC and Interface Americas Re:Source Technologies, LLC (such subsidiaries collectively, the “Guarantors”).
- (3) Not applicable.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

PRELIMINARY PROSPECTUS

July 29, 2009

Offer to Exchange  
11 3/8 % Senior Secured Notes due 2013, Series B  
for  
11 3/8 % Senior Secured Notes due 2013, Series A

Terms of Exchange Offer

• Offer

We are offering to exchange up to \$150 million in principal amount of our 11 3/8 % Senior Secured Notes due 2013, Series B for the same principal amount of our outstanding 11 3/8 % Senior Secured Notes due 2013, Series A. We are making this offer to satisfy our obligation in the Registration Rights Agreement, dated June 5, 2009, relating to the original issuance of the original notes.

• Procedures

To tender, you must submit a signed letter of transmittal and your original notes to U.S. Bank National Association, our exchange agent. Special procedures apply in some cases. You must tender original notes in \$1,000 multiples.

• Withdrawal

You may withdraw tendered notes until the offer expires.

• Expiration

This offer expires at \_\_\_\_\_, Eastern Time on \_\_\_\_\_, 2009, unless extended.

• Unaccepted Tenders

We will return any tendered original notes that we do not accept for exchange for any reason.

• Proceeds and Expenses

We will not receive any proceeds from the issuance of the exchange notes. We have agreed to pay the expenses associated with this exchange offer.

Terms of Exchange Notes

The terms of the exchange notes and the original notes are identical in all material respects, except for transfer restrictions, registration rights and penalty interest provisions relating to the original notes.

• Maturity Date

The exchange notes will mature on November 1, 2013.

• Interest

The exchange notes will bear interest at the rate of 11 3/8 % per year. Interest on the exchange notes is payable semi-annually in cash on May 1 and November 1 of each year, beginning on November 1, 2009.

• Optional Redemption

Before November 1, 2013, we may redeem some or all of the exchange notes at a redemption price equal to 100% of the principal amount of each exchange note to be redeemed plus a make-whole premium described in this prospectus. In addition, at any time prior to May 1, 2012, we may redeem up to 35% of the exchange notes with the net cash proceeds from specified equity offerings at a redemption price equal to 111.375% of the principal amount of each exchange note to be redeemed, plus accrued and unpaid interest, if any, to the date of redemption. However, we may only make such a redemption if at least 65% of the aggregate principal amount of the exchange notes remains outstanding immediately after the redemption and such redemption occurs within 180 days after the closing of such specified equity offering.

• Change of Control

If we undergo a change of control or sell certain of our assets, we may be required to offer to purchase the exchange notes from holders at a price of 101% of the principal amount, plus accrued interest at the purchase

date.

“ Subsidiary Guarantees

The exchange notes will be fully and unconditionally guaranteed, jointly and severally, on a secured, senior basis by each of our material U.S. subsidiaries.

“ Security and Banking

The exchange notes and the guarantees will be senior secured obligations of Interface and the guarantors. The exchange notes will rank equally with any of the existing and future senior indebtedness of Interface and the guarantors, and will be senior in right of payment to any senior unsecured indebtedness of Interface and the guarantors to the extent of the assets securing the obligations, and senior to any subordinated indebtedness of Interface and the guarantors.

“ No Trading Market Listing

We do not intend to list the exchange notes for trading or quotation on any national securities exchange or the Nasdaq Stock Market.

Investing in the exchange notes involves risks. See “Risk Factors” beginning on page 13.

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

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INCORPORATION OF CERTAIN DOCUMENTS AND AVAILABLE DOCUMENTS

This prospectus incorporates important business and financial information about us that is not included in or delivered with this prospectus. The information in the documents incorporated by reference is considered to be part of this prospectus. Any statement contained in this prospectus or in a document incorporated or deemed to be incorporated by reference herein will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained herein or in any other subsequently filed document that also is or is deemed to be incorporated by reference herein modifies or supersedes such statement. Any statement so modified or superseded will not be deemed, except as so modified or superseded, to constitute a part of this prospectus. Statements contained in documents that we file with the Securities and Exchange Commission (the “SEC”) after the date of this prospectus and that are incorporated by reference in this prospectus automatically update and supersede information contained in this prospectus to the extent the new information differs from or is inconsistent with the old information.

The following documents filed by us under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), are incorporated by reference into this prospectus as of their respective dates of filing:

- Annual Report on Form 10-K for the fiscal year ended December 28, 2008;
- Quarterly Report on Form 10-Q for the quarter ended April 5, 2009;

• Current Reports on Form 8-K filed April 29, 2009, May 28, 2009 (solely with respect to Items 5.02 and 8.01 thereto), June 2, 2009, June 11, 2009 and July 27, 2009; and

• All other documents and reports filed after the date of this prospectus pursuant to Sections 13(a), 13(c), 14 or 15(d) of the Exchange Act.

As explained below in “Where You Can Find More Information”, these incorporated documents (as well as other documents filed by us under the Exchange Act) are available at the SEC and may be accessed in a number of ways, including online via the Internet. In addition, we will provide without charge to each recipient of this prospectus, upon written request, a copy of any or all of the documents incorporated herein by reference (other than exhibits to such documents unless such exhibits are specifically incorporated by reference into the document that this prospectus incorporates by reference). Requests should be directed to Interface, Inc., 2859 Paces Ferry Road, Suite 2000, Atlanta, GA 30339, Attention: Patrick C. Lynch, Chief Financial Officer, Telephone: (770) 437-6848, Facsimile: (770) 437-6887; E-mail: patrick.lynch@interfaceglobal.com. To obtain timely delivery, you must request the information no later than five business days before the date you must make your investment decision, \_\_\_\_\_, 2009.

## INDUSTRY AND MARKET DATA

The market data and other statistical information used throughout this prospectus are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data is also based on our good faith estimates, which are derived from our review of internal surveys, as well as the independent sources listed above. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness.

## FORWARD-LOOKING STATEMENTS

This prospectus (and other documents to which it refers) contains statements about future events and expectations that constitute forward-looking statements. Words such as “may”, “could”, “would”, “should”, “believes”, “expects”, “anticipates”, “estimates”, “intends”, “plans”, “targets”, “objectives”, “seek”, “strive”, negatives of these words and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on management’s beliefs, assumptions and expectations of our future economic performance, taking into account the information currently available to our management. They may be expressions based on historical fact, but they do not guarantee future performance. Forward-looking statements involve risks, uncertainties and assumptions and certain other factors that may cause our actual results, performance or financial condition to differ materially from the expectations of future results, performance or financial condition we express or imply in any forward-looking statements. Important factors currently known to management that could cause actual results to differ materially from those in forward-looking statements include risks and uncertainties associated with economic conditions in the commercial interiors industry as well as the risks and uncertainties discussed in “Risk Factors” and in other sections of this prospectus. We qualify any forward-looking statements entirely by these cautionary factors.

We believe these forward-looking statements are reasonable, but we caution that you should not place undue reliance on them because our future results may differ materially from those expressed or implied by forward-looking statements. We do not intend to update any forward-looking statement, whether written or oral, relating to the matters discussed in this prospectus.

## TRADEMARKS

In this prospectus, we use (without the ownership notation after the initial use) several of our trademarks, including Bentley®, Bentley Prince Street®, Converttm, Cool Bluetm, Entropy®, FLORtm, GlasBac®, Heuga®, i2tm, Intercell®, Interface®, InterfaceFLOR®, InterfaceRAISEtm, InterfaceSERVICESTm, Intercept®, Mission Zerotm, NexStep®, Prince Street House and Hometm, ReEntry®, Saturniatm Collection and TacTilestm. All brand names or other trademarks appearing in this prospectus are the property of their respective holders.

## SUMMARY

The following summary highlights material information about Interface, Inc. and this exchange offer. We encourage you to read this entire document for more detailed information about Interface and this exchange offer, including the risk factors beginning on page 13 and our consolidated financial statements and notes thereto incorporated by reference into this prospectus. In this prospectus, unless otherwise indicated, the words “Interface”, “we”, “our”, and “us” refer to Interface, Inc., the issuer of the notes, and its subsidiaries on a consolidated basis. The words “exchange notes” refer to our 11 3/8 % Senior Secured Notes due 2013, Series B, which we are offering to issue in exchange for our 11 3/8 % Senior Secured Notes, due 2013, Series A, which we refer to as the “original notes”. The words “this offer”, “the exchange offering”, and “the exchange offer” refer to our offer, described in this prospectus, to issue exchange notes in exchange for original notes.

### The Company

We are a worldwide leader in design, production and sales of modular carpet, and a manufacturer, marketer and servicer of select other floorcovering products for the commercial, institutional and residential markets. Our global market share of the specified carpet tile segment is approximately 35%, which we believe is more than double that of our nearest competitor. In recent years, modular carpet sales growth in the floorcovering industry has significantly outpaced the growth of the overall industry, as architects, designers and end users increasingly recognized the unique and superior attributes of modular carpet, including its dynamic design capabilities, greater economic value (which includes lower costs as a result of reduced waste in both installation and replacement), and installation ease and speed. Our Modular Carpet segment sales, which do not include modular carpet sales in our Bentley Prince Street segment, grew from \$563.4 million to \$946.8 million during the 2004 to 2008 period, representing a 14% compound annual growth rate. For the twelve-month period ended April 5, 2009, we generated consolidated revenues and adjusted EBITDA of approximately \$1 billion and \$115 million, respectively.

Our Bentley Prince Street brand is a leader in the high-end, designer-oriented sector of the broadloom market segment, where custom design and high quality are the principal specifying and purchasing factors.

As a global company with a reputation for high quality, reliability and premium positioning, we market products in over 110 countries under established brand names such as InterfaceFLOR, Heuga, Bentley Prince Street and FLOR in modular carpet; Bentley Prince Street and Prince Street House and Home in broadloom carpet; and Intersept in antimicrobial chemicals. Our principal geographic markets are the Americas, Europe and Asia-Pacific, where the percentages of our total net sales were approximately 55%, 34% and 11%, respectively, for fiscal year 2008, and were approximately 57%, 32% and 11%, respectively, for the first quarter of 2009.

Capitalizing on our leadership in modular carpet for the corporate office segment, we embarked on a market diversification strategy in 2001 to increase our presence and market share for modular carpet in non-corporate office market segments, such as government, healthcare, hospitality, education and retail space, which combined are almost twice the size of the approximately \$1 billion U.S. corporate office segment. In 2003, we expanded our diversification strategy to target the approximately \$11 billion U.S. residential market segment for carpet. As a result, our mix of corporate office versus non-corporate office modular carpet sales in the Americas shifted to 45% and 55%, respectively, for 2008 compared with 64% and 36%, respectively, in 2001. (Company-wide, our mix of corporate office versus non-corporate office sales was 60% and 40%, respectively, in 2008, and 59% and 41%, respectively, in the first quarter of 2009.) We believe the appeal and utilization of modular carpet is growing in each of these non-corporate office segments, and we are using our considerable skills and experience with designing, producing and marketing modular products that make us the market leader in the corporate office segment to support and facilitate our penetration into these new segments around the world.



Our modular carpet leadership, strong business model and market diversification strategy, restructuring initiatives and sustained strategic investments in innovative product concepts and designs enabled us to weather successfully the unprecedented downturn, both in severity and duration, that affected the commercial interiors industry from 2001 to 2003. As a result, we were well-positioned to capitalize on improved market conditions when the commercial interiors industry began to recover in 2004. From 2004 to 2008, we increased our net sales from \$695.3 million to \$1.1 billion, a 12% compound annual growth rate.

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In the fourth quarter of 2008, and particularly in November and December, the worldwide financial and credit crisis caused many corporations, governments and other organizations to delay or curtail spending on renovation and construction projects where our carpet is used. This downturn negatively impacted our performance. In the fourth quarter of 2008 and first quarter of 2009, we announced restructuring plans pursuant to which we are ceasing manufacturing operations at our facility in Canada, reducing our worldwide employee base by a total of approximately 820 employees in the areas of manufacturing, sales and administration and continuing other actions taken to better align fixed costs with demand for our products. The employee reductions amount to about 20% of our worldwide workforce. The plan is intended to reduce costs across our worldwide operations, and more closely align our operations with the decreased demand levels that we began experiencing in the fourth quarter of 2008.

## Our Strengths

Our principal competitive strengths include:

**Market Leader in Attractive Modular Carpet Segment.** We are the world's leading manufacturer of carpet tile with a market share in the specified carpet tile segment (the segment in which architects and designers are heavily involved in "specifying", or selecting, the carpet) of approximately 35%, which we believe is more than double that of our nearest competitor. Modular carpet has become more prevalent across all commercial interiors markets as designers, architects and end users have become more familiar with its unique attributes. We continue to drive this trend with our product innovations and designs discussed below. According to the 2008 Floor Focus interiors industry survey of the top 250 designers in the United States, carpet tile was ranked as the number one "hot product" for the seventh consecutive year. We believe that we are well positioned to lead and capitalize upon the continued shift to modular carpet, both domestically and around the world.

**Established Brands and Reputation for Quality, Reliability and Leadership.** Our products are known in the industry for their high quality, reliability and premium positioning in the marketplace. Our established brand names in carpets are leaders in the industry. The 2008 Floor Focus survey ranked our InterfaceFLOR brand first or second in each of the survey categories of quality, performance, value and service. Interface companies also ranked first and third in the category of "best overall business experience" for carpet companies in this survey. On the international front, InterfaceFLOR and Heuga are well-recognized brand names in carpet tiles for commercial, institutional and residential use. More generally, as the appeal and utilization of modular carpet continues to expand into new market segments such as education, hospitality and retail space, our reputation as the pioneer of modular carpet — as well as our established brands and leading market position for modular carpet in the corporate office segment — will enhance our competitive advantage in marketing to the customers in these new markets.

**Innovative Product Design and Development Capabilities.** Our product design and development capabilities have long given us a significant competitive advantage, and they continue to do so as modular carpet's appeal and utilization expand across virtually every market segment and around the globe. One of our best design innovations is our i2 modular product line, which includes our popular Entropy product for which we received a patent in 2005 on the key elements of its design. The i2 line introduced and features mergeable dye lots, and includes carpet tile products designed to be installed randomly without reference to the orientation of neighboring tiles. The i2 line offers cost-efficient installation and maintenance, interactive flexibility, and recycled and recyclable materials. Our i2 line of products, which now comprises more than 40% of our total U.S. modular carpet business, represents a differentiated category of smart, environmentally sensitive and stylish modular carpet, and Entropy has become the fastest growing product in our history. The award-winning design firm David Oakey Designs had a pivotal role in developing our i2 product line, and our long-standing exclusive relationship with David Oakey Designs remains vibrant and augments our internal research, development and design staff. Another recent innovation is our patent-pending TacTiles carpet tile installation system, which uses small squares of adhesive plastic film to connect intersecting carpet tiles, thus

eliminating the need for traditional carpet adhesive and resulting in a reduction in installation time and waste materials.

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**Made-to-Order and Global Manufacturing Capabilities.** The success of our modernization and restructuring of operations over the past several years gives us a distinct competitive advantage in meeting two principal requirements of the specified products markets we primarily target — that is, providing custom samples quickly and on-time delivery of customized final products. We also can generate realistic digital samples that allow us to create a virtually unlimited number of new design concepts and distribute them instantly for customer review, while at the same time reducing sampling waste. Approximately 75% to 80% of our modular carpet products in the United States and Asia-Pacific markets are now made-to-order, and we are increasing our made-to-order production in Europe as well. Our made-to-order capabilities not only enhance our marketing and sales, they significantly improve our inventory turns. Our global manufacturing capabilities in modular carpet production are an important component of this strength, and give us an advantage in serving the needs of multinational corporate customers that require products and services at various locations around the world. Our manufacturing locations across four continents enable us to compete effectively with local producers in our international markets, while giving international customers more favorable delivery times and freight costs.

**Recognized Global Leadership in Ecological Sustainability.** Our long-standing goal and commitment to be ecologically “sustainable” — that is, the point at which we are no longer a net “taker” from the earth and do no harm to the biosphere — has emerged as a competitive strength for our business and remains a strategic initiative. It now includes Mission Zero, our global branding initiative, which represents our mission to eliminate any negative impact our companies may have on the environment by the year 2020. Our acknowledged leadership position and expertise in this area resonate deeply with many of our customers and prospects around the globe, and provide us with a differentiating advantage in competing for business among architects, designers and end users of our products, who increasingly make purchase decisions based on “green” factors. The 2008 Floor Focus survey, which named our InterfaceFLOR business the top among “Green Leaders” and gave us the top honors for “Green Kudos”, found that 70% of the designers surveyed consider sustainability an added benefit and 29% consider it a “make or break” issue when deciding what products to recommend or purchase.

**Strong Operating Leverage Position.** Our operating leverage, which we define as our ability to realize profit on incremental sales, is strong and allows us to increase earnings at a higher rate than our rate of increase in net sales. Our operating leverage position is primarily a result of (1) the specified, high-end nature and premium positioning of our principal products in the marketplace, and (2) the mix of fixed and variable costs in our manufacturing processes that allow us to increase production of most of our products without significant increases in capital expenditures or fixed costs. For example, while net sales from our Modular Carpet segment increased from \$563.4 million in 2004 to \$946.8 million in 2008, our operating income (after \$10.7 million in restructuring charges in 2008) from that segment increased from \$63.9 million (11.3% of net sales) in 2004 to \$109.3 million (11.5% of net sales, or 12.7% of net sales excluding the 2008 restructuring charges) in 2008.

**Experienced and Motivated Management and Sales Force.** An important component of our competitive position is the quality of our management team and its commitment to developing and maintaining an engaged and accountable workforce. Our team is highly skilled and dedicated to guiding our overall growth and expansion into our targeted market segments, while maintaining our leadership in traditional markets and our high contribution margins. We utilize an internal marketing and predominantly commissioned sales force of approximately 730 experienced personnel, stationed at over 70 locations in over 30 countries, to market our products and services in person to our customers. We have also developed special features for our incentive compensation and our sales and marketing training programs in order to promote performance and facilitate leadership by our executives in strategic areas.

**Our Business Strategy and Principal Initiatives**

Our business strategy is (1) to continue to use our leading position in the modular carpet market segment and our product design and global made-to-order capabilities as a platform from which to drive acceptance of modular carpet products across several industry segments, while maintaining our leadership position in the corporate office market segment, and (2) to return to our historical profit levels in the high-end, designer-oriented sector of the broadloom carpet market. We will seek to increase revenues and profitability by capitalizing on the above strengths and pursuing the following key strategic initiatives:

Continue to Penetrate Non-Corporate Office Market Segments. We will continue our strategic focus on product design and marketing and sales efforts for non-corporate office market segments such as government, education, healthcare, hospitality, retail and residential space. We began this initiative as part of our market diversification strategy in 2001 (when our initial objective was reducing our exposure to the more severe economic cyclicality of the corporate office segment), and it has become a principal strategy generally for growing our business and enhancing profitability. We have shifted our mix of corporate office versus non-corporate office modular carpet sales in the Americas to 45% and 55%, respectively, for fiscal 2008 from 64% and 36%, respectively, in fiscal 2001. To implement this strategy, we:

- introduced specialized product offerings tailored to the unique demands of these segments, including specific designs, functionalities and prices;

- created special sales teams dedicated to penetrating these segments at a high level, with a focus on specific customer accounts rather than geographic territories; and

- realigned incentives for our corporate office segment sales force generally in order to encourage their efforts, and where appropriate, to assist our penetration of these other segments.

As part of this strategy, we launched our FLOR and Prince Street House and Home lines of products in 2003 to focus on the approximately \$11 billion U.S. residential carpet market segment. These products were specifically created to bring high style modular and broadloom floorcovering to the U.S. residential market. FLOR is offered by many specialty retailers, over the Internet and in a number of major retail catalogs. Through such direct and indirect retailing, FLOR sales have grown over four-fold from 2004 to 2008. Prince Street House and Home brings new colors and patterns to the high-end consumer market with a collection of broadloom carpet and rugs sold through hundreds of retail stores and interior designers. Through agreements between our FLOR brand and both Martha Stewart Living Omnimedia and the national homebuilder KB Home, we are further expanding our penetration of the U.S. residential market with a line of Martha Stewart-branded carpet tiles. Through our Heuga Home division, we have been increasing our marketing of modular carpet to the residential segment of international soft floorcovering markets, the size of which we believe to be approximately \$2.3 billion in Western Europe alone.

Penetrate Expanding Geographic Markets for Modular Products. The popularity of modular carpet continues to increase compared with other floorcovering products across most markets, internationally as well as in the United States. While maintaining our leadership in the corporate office segment, we will continue to build upon our position as the worldwide leader for modular carpet in order to promote sales in all market segments globally. A principal part of our international focus — which utilizes our global marketing capabilities and sales infrastructure — is the significant opportunities in several emerging geographic markets for modular carpet. Some of these markets, such as China, India and Eastern Europe, represent large and growing economies that are essentially new markets for modular carpet products. Others, such as Germany and Italy, are established markets that are transitioning to the use of modular carpet from historically low levels of penetration. Each of these emerging markets represents a significant growth opportunity for our modular carpet business. Our initiative to penetrate these markets will include drawing upon our internationally recognized InterfaceFLOR and Heuga brands.

Use Strong Free Cash Flow Generation to De-leverage Our Balance Sheet. Our principal businesses have been structured — including through our rationalization and repositioning initiatives over the past seven years — to yield high contribution margins and generate strong free cash flow (by which we mean cash available to apply towards debt service). Our historical investments in global manufacturing capabilities and mass customization techniques and facilities, which we have maintained, also contribute to our ability to generate substantial levels of free cash flow. We will use our strong free cash flow generation capability to continue to repay debt and strengthen our financial position. We will also continue to execute programs to reduce costs further and enhance free cash flow. In addition, our existing capacity to increase production levels without significant capital expenditures will further enhance our generation of

free cash flow if and when demand for our products rises.

**Sustain Leadership in Product Design and Development.** As discussed above, our leadership position for product design and development is a competitive advantage and key strength, especially in the modular carpet market segment, where our i2 products and recent TacTiles installation system have confirmed our position as an innovation leader. We will continue initiatives to sustain, augment and capitalize upon that strength to continue to increase our market share in targeted market segments. Our Mission Zero global branding initiative, which draws upon and promotes our ecological sustainability commitment, is part of those initiatives and includes placing our Mission Zero logo on many of our marketing and merchandising materials distributed throughout the world.

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**Continue to Minimize Expenses and Invest Strategically.** We have steadily trimmed costs from our operations for several years through multiple initiatives, which have made us leaner today and for the future. Our supply chain and other cost containment initiatives have improved our cost structure and yielded the operating efficiencies we sought. While we still seek to minimize our expenses in order to increase profitability, we will also take advantage of strategic opportunities to invest in systems, processes and personnel that can help us grow our business and increase profitability and value.

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The Exchange Offer

The Exchange Offer	We are offering to exchange up to \$150,000,000 in principal amount of our 11 3/8 % Senior Secured Notes due 2013, Series B, for up to \$150,000,000 in principal amount of our outstanding 11 3/8 % Senior Secured Notes due 2013, Series A.
The Exchange Notes	The exchange notes we will issue in this exchange offer are identical in all material respects to the original notes, except for transfer restrictions, registration rights and penalty interest provisions relating to the original notes. We will issue the exchange notes without legends restricting their transfer. See “Description of the Notes”, beginning on page 66.
Expiration Date; Withdrawal of Tender	The exchange offer will expire at _____, Eastern Time, on _____, 2009, unless we extend the offer. Until the offer expires, you may withdraw any original notes that you previously tendered. If we do not accept your original notes for exchange for any reason, we will return them to you at our cost, promptly after the exchange offer.
Conditions to the Exchange Offer	<p>The exchange offer is subject to customary conditions, including the following:</p> <ul style="list-style-type: none"><li>•there is no threatened or pending lawsuit that may materially impair our ability to proceed with the exchange offer,</li><li>•there is no law, statute, rule or regulation that might materially impair our ability to proceed with the exchange offer, and</li><li>•we receive any governmental approval necessary to complete the exchange offer.</li></ul> <p>We may waive one or more of these conditions in our reasonable discretion. These conditions are discussed in more detail below under “The Exchange Offer — Conditions to the Exchange Offer” on page 24.</p>
Procedures for Tendering Original Notes	<p>If you hold original notes and wish to accept the exchange offer, you must:</p> <ul style="list-style-type: none"><li>•complete, sign and date the letter of transmittal that is included with this prospectus, and</li><li>•mail or deliver the letter of transmittal to U.S. Bank National Association, our exchange agent.</li></ul>

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Be sure to include the original notes you wish to exchange, deliver the original notes by book entry transfer, or make guaranteed delivery. You must tender original notes for exchange in \$1,000 multiples.

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By executing the letter of transmittal, you will represent to us that, among other things,

(1) you will acquire the exchange notes in the ordinary course of your business,

(2) you are not engaging in or intending to engage in a distribution of the exchange notes,

(3) you have no arrangement with any person to participate in the distribution of the exchange notes, and

(4) you are not our “affiliate”, as defined in Rule 405 of the Securities Act of 1933, as amended (the “Securities Act”).

If any affiliates or broker-dealers acquired original notes directly from us, they would not be able to participate in the exchange offer.

Special Procedures for  
Beneficial Owners

This paragraph applies to the beneficial owners of original notes registered in the name of a broker, dealer, commercial bank, trust company or other nominee. If you are a beneficial owner and wish to tender your original notes in the exchange offer, please contact the registered holder and instruct it to tender on your behalf. If you wish to tender on your own behalf, you must either re-register the original notes in your name or obtain a properly completed bond power from the registered holder. You may not be able to re-register your original notes in time to participate in the exchange offer.

Guaranteed Delivery  
Procedures

If you wish to tender your original notes, but they are not immediately available, or you cannot deliver your original notes, the letter of transmittal, or any other required documents to U.S. Bank National Association before the offer expires, you must tender your original notes using the guaranteed delivery procedures described in “The Exchange Offer — Guaranteed Delivery Procedures”, beginning on page 27.

Registration Requirements

We will use our commercially reasonable best efforts to complete the registered exchange offer to allow you an opportunity to exchange your original notes for the exchange notes. In the event that applicable interpretations of the staff of the SEC do not permit us to effect the exchange offer or in certain other circumstances, we have agreed to file a shelf registration statement covering resales of the original notes. In such event, we will use our commercially reasonable best efforts to cause the shelf registration statement to be declared effective under the Securities Act and, subject to certain exceptions, to keep the shelf registration statement effective until the first anniversary of its original effective date, unless all the notes are sold under the shelf registration statement in a shorter timeframe.

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Material U.S. Federal Income Tax Consequences	We discuss the material U.S. federal income tax consequences relating to the exchange notes in “Material U.S. Federal Income Tax Consequences”, beginning on page 109.
Use of Proceeds	We will not receive any proceeds from the exchange of notes in this exchange offer. The proceeds we received from the sale of the original notes were applied as described in connection with that offering. See “Use of Proceeds” on page 20.
Exchange Agent	U.S. Bank National Association is our exchange agent. Its address and telephone number are listed in “The Exchange Offer — Exchange Agent”, on page 28.

Summary Description of the Exchange Notes

The following summary is provided solely for your convenience. It highlights material information about the exchange notes, but as a summary, it is not a complete discussion of all information. You should read the full text and more specific details contained elsewhere in this prospectus. For a materially complete description of the exchange notes, see “Description of the Notes”.

Issuer	Interface, Inc.
Notes Offered	\$150,000,000 aggregate principal amount of 11 3/8 % Senior Secured Notes due 2013, Series B.
Maturity Date	November 1, 2013.
Interest Payment Dates	May 1 and November 1, commencing November 1, 2009.
Subsidiary Guarantees	Each of our material U.S. subsidiaries will guarantee the exchange notes.
Ranking	<p>The exchange notes and the guarantees will be senior secured obligations of Interface, Inc. and the guarantors. The exchange notes will rank equally with Interface, Inc.’s and the guarantors’ existing and future senior indebtedness, senior in right of payment to any senior unsecured indebtedness of Interface, Inc. and the guarantors to the extent of the assets securing the obligations, and senior to any subordinated indebtedness of Interface, Inc. and the guarantors. The liens on the collateral securing the exchange notes will be expressly subordinated to the first-priority liens on the collateral securing the domestic revolving credit facility pursuant to an intercreditor agreement between the domestic agent under the domestic revolving credit facility and U.S. Bank National Association, the trustee (the “Trustee”) under the indenture governing the exchange notes (the “Indenture”).</p> <p>As of July 5, 2009, we had \$294.2 million of debt and we could have incurred an additional \$49.9 million of debt under our domestic revolving credit facility, each of which would rank equally to the exchange notes.</p>
Security	<p>The exchange notes and the guarantees will be secured by second-priority liens on substantially all of the assets of Interface, Inc. and its material U.S. subsidiaries (except for Interface Global Company ApS). These same assets also constitute the first-priority security for the obligations of Interface, Inc. and the guarantors under our domestic revolving credit facility. The second-priority liens granted to the holders of the exchange notes and the guarantees will be effectively subordinated to such facility pursuant to the terms of an intercreditor agreement. See “Description of the Notes — Security for the Notes and the Guarantees”. As of April 5, 2009, Interface, Inc. and the guarantors had total consolidated assets of \$331.6 million, including cash of \$20.4 million, accounts receivable of \$49.1 million, inventory of \$71.2 million and property and equipment, net, of \$85.9 million.</p>



Optional Redemption	<p>Before November 1, 2013, we may redeem some or all of the exchange notes at a redemption price equal to 100% of the principal amount of each Note to be redeemed plus a make-whole premium described in this prospectus.</p> <p>In addition, at any time prior to May 1, 2012, we may redeem up to 35% of the original aggregate principal amount of the exchange notes with the net cash proceeds from specified equity offerings at a redemption price equal to 111.375% of the principal amount of each exchange note to be redeemed, plus accrued and unpaid interest, if any, to the date of redemption. However, we may only make such a redemption if at least 65% of the aggregate principal amount of the exchange notes remains outstanding immediately after the redemption and such redemption occurs within 180 days after the closing of such specified equity offering.</p>
Change of Control	<p>Upon a change of control, we must offer to repurchase the exchange notes at 101% of the principal amount plus accrued interest at the purchase date.</p>
Certain Covenants	<p>The Indenture contains several covenants, including limitations and restrictions on our ability to:</p> <ul style="list-style-type: none"><li>• incur additional indebtedness;</li><li>• make dividend payments or other restricted payments;</li><li>• create liens;</li><li>• make asset sales;</li><li>• sell securities of our subsidiaries;</li><li>• enter into certain types of transactions with shareholders and affiliates; and</li><li>• enter into mergers, consolidations, or sales of all or substantially all of our assets.</li></ul> <p>These covenants are subject to important exceptions and qualifications, which are described in “Description of the Notes — Certain Covenants”.</p>
Risk Factors	<p>Holders of original notes should carefully consider the matters set forth under the caption “Risk Factors” prior to making an investment decision with respect to the exchange notes.</p>

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Interface, Inc. was incorporated in 1973 as a Georgia corporation. Our principal executive offices are located at 2859 Paces Ferry Road, Suite 2000, Atlanta, Georgia 30339, and our telephone number is (770) 437-6800.





## Summary Consolidated Financial and Other Data

We derived certain of the summary consolidated financial and other data presented below from our audited consolidated financial statements and the notes thereto and our unaudited consolidated condensed financial statements and the notes thereto for the periods indicated. You should read the summary financial information presented below together with our audited consolidated financial statements and the notes thereto included in our Current Report on Form 8-K filed July 27, 2009, which includes certain retrospective adjustments made to our Annual Report on Form 10-K for the year ended December 28, 2008 to reflect the impact of adopting SFAS No. 160 and FSP EITF 03-6-1, and our unaudited consolidated condensed financial statements and the notes thereto included in our Quarterly Report on Form 10-Q for the quarter ended April 5, 2009, each of which are incorporated by reference into this prospectus.

	As of and for the Year Ended(1)					As of and for the Three Months Ended	
	January 2, 2005	January 1, 2006	December 31, 2006 (audited)	December 30, 2007	December 28, 2008	March 30, 2008	April 5, 2009 (unaudited)
(dollars in thousands, except per share data)							
Statement of Income Data:							
Net sales	\$ 695,250	\$ 786,924	\$ 914,659	\$ 1,081,273	\$ 1,082,344	\$ 261,736	\$ 199,308
Gross profit on sales	226,085	259,277	311,108	377,522	372,045	94,266	63,169
Selling, general and administrative expenses	166,167	181,561	211,487	246,258	258,198	63,295	54,371
Restructuring charge	—	—	—	—	10,975	—	5,724
Operating income	59,918	77,716	99,621	129,391	41,659	30,971	3,074
Interest expense	46,023	45,541	42,204	34,110	31,480	7,828	7,673
Income (loss) from continuing operations (2)(3)	6,386	15,933	36,235	58,972	(34,513)	14,297	(3,373)
Income (loss) per share attributable to Interface, Inc. common shareholders from continuing operations(4):							
Basic	\$ 0.11	\$ 0.29	\$ 0.65	\$ 0.94	\$ (0.58)	\$ 0.23	\$ (0.06)
Diluted	\$ 0.11	\$ 0.28	\$ 0.64	\$ 0.93	\$ (0.58)	\$ 0.22	\$ (0.06)
	\$ —	\$ —	\$ —	\$ 0.08	\$ 0.12	\$ 0.03	\$ 0.0025

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Cash dividends  
per common  
share

Other Data:

Adjusted

EBITDA(5)	\$ 82,825	\$ 98,164	\$ 121,371	\$ 151,878	\$ 137,511	\$ 37,466	\$ 15,046
Depreciation and amortization	22,907	20,448	21,750	22,487	23,664	6,495	6,248
Capital expenditures	11,600	19,354	28,540	40,592	29,300	6,014	5,557
Ratio of earnings to fixed charges(6)	1.2x	1.5x	2.0x	3.1x	1.2x	3.2x	0.6x

	January 2, 2005	January 1, 2006	As of December 31, 2006 (audited)	December 30, 2007	December 28, 2008	As of March 30, 2008 (unaudited)	April 5, 2009
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(dollars in  
thousands)

Balance Sheet

Data:

Cash and cash

equivalents \$ 17,158 \$ 47,275 \$ 109,157 \$ 82,375 \$ 71,757 \$ 59,294 \$ 54,888

Accounts  
receivable, net 114,980 114,070 143,025 178,625 144,783 161,942 113,118

Inventories 93,674 87,823 112,293 125,789 128,923 150,836 124,811

Property and  
Equipment 118,493 115,890 134,631 161,874 160,717 168,519 157,891

Working  
capital(7) 344,460 317,668 380,253 238,578 221,323 250,825 201,777

Current maturities  
of long-term  
debt(8) — — — — — — 141,803

Total assets 869,798 838,990 928,340 835,232 706,035 839,623 651,894

Total long-term  
debt(8) 460,000 458,000 411,365 310,000 287,588 310,000 135,000

Total  
shareholders'  
equity(3) 198,309 176,485 279,900 301,116 217,437 329,483 208,260

Total  
capitalization(9) 658,309 634,485 691,265 611,116 505,025 639,483 485,063

- (1) In the third quarter of 2007, we sold our Fabrics Group business segment. In the third quarter of 2004, we also decided to discontinue the operations related to our Re:Source dealer businesses (as well as the operations of a small Australian dealer business and a small residential fabrics business). The data has been adjusted to reflect the discontinued operations of these businesses.
- (2) Included in our 2007 income from continuing operations is a loss of \$1.9 million on the disposition of our Pandel business, which comprised our Specialty Products segment. Included in the 2008 loss from continuing operations is a non-cash charge of \$61.2 million for impairment of goodwill of our Bentley Prince Street business segment, as well as tax expense of \$13.3 million related to the anticipated repatriation in 2009 of foreign earnings. For further analysis, see the note entitled "Taxes on Income" in the notes to consolidated financial statements included in our Form 8-K filed July 27, 2009 incorporated by reference into this prospectus.
- (3) All periods presented have been adjusted to reflect the adoption of SFAS 160 "Noncontrolling Interests in Consolidated Financial Statements — an amendment to ARB No. 51". This standard was adopted by us in the first quarter of 2009.
- (4) Amounts for all periods presented have been adjusted to reflect the adoption of FSP EITF 03-6-1. This standard was adopted by us in the first quarter of 2009.
- (5) Adjusted EBITDA represents operating income plus depreciation, amortization, goodwill impairment and restructuring charges, as indicated below. While adjusted EBITDA should not be construed as a substitute for operating income, which is determined in accordance with generally accepted accounting principles, it is included herein to provide additional information with respect to our ability to meet our future debt service, capital expenditures and working capital requirements. Adjusted EBITDA is not necessarily a measure of our ability to fund cash needs. The following are our components of adjusted EBITDA:

	For the Year Ended					For the	
	January 2,	January 1,	December 31,	December 30,	December 28,	Three Months Ended	Three Months Ended
	2005	2006	2006	2007	2008	March 30,	April 5,
			(audited)			2008	2009
						(unaudited)	
(dollars in thousands)							
Operating income	\$ 59,918	\$ 77,716	\$ 99,621	\$ 129,391	\$ 41,659	\$ 30,971	\$ 3,074
Depreciation and amortization	22,907	20,448	21,750	22,487	23,664	6,495	6,248
Goodwill impairment charges(10)	—	—	—	—	61,213	—	—
Restructuring charges(11)	—	—	—	—	10,975	—	5,724
Adjusted EBITDA	\$ 82,825	\$ 98,164	\$ 121,371	\$ 151,878	\$ 137,511	\$ 37,466	\$ 15,046

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- (6) For purposes of computing the ratio of earnings to fixed charges: (a) fixed charges consist of interest on debt (including capitalized interest), amortization of debt expenses and a portion of rental expense determined to be representative of interest and (b) earnings consist of income (loss) from continuing operations before income taxes and fixed charges as described above. For the quarter ended April 5, 2009, earnings were insufficient to cover fixed charges by \$3.8 million.
- (7) Working capital as of April 5, 2009 excludes the \$141.8 million aggregate principal amount of our 10.375% Notes included in our current liabilities, \$127.2 million of which we repurchased with a portion of the net proceeds of the offering. See "Use of Proceeds".
- (8) Reflects pro forma adjustments for the issuance of the \$150.0 million aggregate principal amount of our 11 3/8% Senior Secured Notes due 2013 and the repurchase of \$127.2 million aggregate principal amount of our 10.375% Notes in the tender offer for those notes, current maturities of long-term debt and total long-term debt would have been \$14.6 million and \$279.6 million, respectively, as of July 5, 2009.
- (9) Total capitalization includes long-term debt (including current maturities of long-term debt) and total common shareholders' equity. See "Capitalization".

(10) In the fourth quarter of 2008, we recognized a non-cash charge of \$61.2 million for impairment of goodwill related to our Bentley Prince Street reporting unit. For further information, see the note entitled "Impairment of Goodwill" in our 2008 Form 10-K incorporated by reference into this prospectus.

(11) In the fourth quarter of 2008, we recorded a pre-tax restructuring charge of \$11.0 million, comprised of employee severance expense of \$7.8 million, impairment of assets of \$2.6 million, and other exit costs of \$0.7 million (primarily related to lease exit costs and other closure activities); approximately \$8.3 million of the restructuring charge will involve cash expenditures, primarily severance expense. In the first quarter of 2009, we recorded a pre-tax restructuring charge of \$5.7 million, comprised of \$4.0 million of employee severance expense and \$1.7 million of other exit costs (primarily costs to exit the Canadian manufacturing facilities, lease exit costs and other costs); approximately \$5.2 million of the 2009 restructuring charge will involve cash expenditures, primarily severance expense.

## RISK FACTORS

You should carefully consider the following factors, in addition to the other information included in this prospectus, before making an investment in the exchange notes. Any or all of the following risk factors could have a material adverse effect on our business, financial condition, results of operations and prospects.

### General Business Risks

Sales of Our Principal Products have been and may Continue to be Affected by Adverse Economic Cycles in the Renovation and Construction of Commercial and Institutional Buildings.

Sales of our principal products are related to the renovation and construction of commercial and institutional buildings. This activity is cyclical and has been affected by the strength of a country's or region's general economy, prevailing interest rates and other factors that lead to cost control measures by businesses and other users of commercial or institutional space. The effects of cyclicality upon the corporate office segment tend to be more pronounced than the effects upon the institutional segment. Historically, we have generated more sales in the corporate office segment than in any other market. The effects of cyclicality upon the new construction segment of the market also tend to be more pronounced than the effects upon the renovation segment. The adverse cycle during the years 2001 through 2003 significantly lessened the overall demand for commercial interiors products, which adversely affected our business during those years. These effects may recur and could be more pronounced if the current global economic conditions do not improve or are further weakened.

The Recent Worldwide Financial and Credit Crisis could have a Material Adverse Effect on our Business, Financial Condition and Results of Operations.

The recent worldwide financial and credit crisis has reduced the availability of liquidity and credit to fund the continuation and expansion of many business operations worldwide. This shortage of liquidity and credit, combined with recent substantial losses in worldwide equity markets, could lead to an extended worldwide economic recession and result in a material adverse effect on our business, financial condition and results of operations. The limited availability of credit and liquidity adversely affects the ability of customers and suppliers to obtain financing for significant purchases and operations and could cause them to fail to meet their obligations to us or result in decreased demand for our products as customers may defer or delay renovation and construction projects where our carpet is used. In addition, our ability to access the capital markets may be severely restricted at a time when we would like, or need, to access those markets, which could have a negative impact on our growth plans, our flexibility to react to changing economic and business conditions, and our ability to refinance existing debt. The financial and credit crisis also could have an impact on the lenders under our credit facilities, causing them to fail to meet their obligations to us.

We have a significant amount of indebtedness. See "Description of Certain Indebtedness". Our domestic revolving credit facility matures in December 2012, our 10.375% Senior Notes due 2010 (the "10.375% Notes") mature in February 2010, our 11 3/8% Senior Secured Notes due 2013 mature in November 2013, and our 9.5% Senior Subordinated Notes due 2014 (the "9.5% Notes") mature in February 2014. We cannot assure you that we will be able to renegotiate or refinance any of this debt on commercially reasonable terms, or at all, especially given the ongoing worldwide financial and credit crisis.

We Compete with a Large Number of Manufacturers in the Highly Competitive Commercial Floorcovering Products Market, and Some of these Competitors have Greater Financial Resources than we do.

The commercial floorcovering industry is highly competitive. Globally, we compete for sales of floorcovering products with other carpet manufacturers and manufacturers of other types of floorcovering. Although the industry has experienced significant consolidation, a large number of manufacturers remain in the industry. Some of our competitors, including a number of large diversified domestic and foreign companies who manufacture modular carpet as one segment of their business, have greater financial resources than we do.

Our Success Depends Significantly Upon the Efforts, Abilities and Continued Service of our Senior Management Executives and our Principal Design Consultant, and our Loss of any of them could Affect us Adversely.

We believe that our success depends to a significant extent upon the efforts and abilities of our senior management executives. In addition, we rely significantly on the leadership that David Oakey of David Oakey Designs provides to our internal design staff. Specifically, David Oakey Designs provides product design/production engineering services to us under an exclusive consulting contract that contains non-competition covenants. Our current agreement with David Oakey Designs extends to April 2011. The loss of any of these key persons could have an adverse impact on our business.

Our Substantial International Operations are Subject to Various Political, Economic and other Uncertainties that could Adversely Affect our Business Results, Including by Restrictive Taxation or other Government Regulation and by Foreign Currency Fluctuations.

We have substantial international operations. In fiscal 2008, approximately 53% of our net sales and a significant portion of our production were outside the United States, primarily in Europe and Asia-Pacific. Our corporate strategy includes the expansion and growth of our international business on a worldwide basis. As a result, our operations are subject to various political, economic and other uncertainties, including risks of restrictive taxation policies, changing political conditions and governmental regulations. We also make a substantial portion of our net sales in currencies other than U.S. dollars (approximately 50% of 2008 net sales), which subjects us to the risks inherent in currency translations. The scope and volume of our global operations make it impossible to eliminate completely all foreign currency translation risks as an influence on our financial results.

Large Increases in the Cost of Petroleum-Based Raw Materials could Adversely Affect us if we are Unable to Pass these Cost Increases Through to our Customers.

Petroleum-based products comprise the predominant portion of the cost of raw materials that we use in manufacturing. While we attempt to match cost increases with corresponding price increases, continued volatility in the cost of petroleum-based raw materials could adversely affect our financial results if we are unable to pass through such price increases to our customers.

Unanticipated Termination or Interruption of any of our Arrangements with our Primary Third Party Suppliers of Synthetic Fiber could Have a Material Adverse Effect on us.

The unanticipated termination or interruption of any of our supply arrangements with our current suppliers of synthetic fiber, which typically are not pursuant to long-term agreements, could have a material adverse effect on us because of the cost and delay associated with shifting more business to another supplier. For example, Invista Inc., a subsidiary of Koch Industries, Inc., currently supplies approximately 40% of our requirements for synthetic fiber (nylon), which is the principal raw material that we use in our carpet products.

We have a Significant Amount of Indebtedness, which could have Important Negative Consequences to us.

Our significant indebtedness could have important negative consequences to us, including:

- making it more difficult for us to satisfy our obligations with respect to such indebtedness;
- increasing our vulnerability to adverse general economic and industry conditions;

• limiting our ability to obtain additional financing to fund capital expenditures, acquisitions or other growth initiatives, and other general corporate requirements;

• requiring us to dedicate a substantial portion of our cash flow from operations to interest and principal payments on our indebtedness, thereby reducing the availability of our cash flow to fund capital expenditures, acquisitions or other growth initiatives, and other general corporate requirements;

• limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate;

- placing us at a competitive disadvantage compared to our less leveraged competitors; and



- limiting our ability to refinance our existing indebtedness as it matures.

Our Earnings in a Future Period could be Adversely Affected by Non-Cash Adjustments to Goodwill, if a Future Test of Goodwill Assets Indicates a Material Impairment of those Assets.

As prescribed by Statement of Financial Accounting Standards (“SFAS”) No. 142, “Goodwill and Other Intangible Assets”, we undertake an annual review of the goodwill asset balance reflected in our financial statements. Our review is conducted during the fourth quarter of the year, unless there has been a triggering event prescribed by applicable accounting rules that warrants an earlier interim testing for possible goodwill impairment. In the past, we have had non-cash adjustments for goodwill impairment as a result of such testings (\$61.2 million in 2008, \$44.5 million in 2007, \$20.7 million in 2006, and \$29.0 million in 2004). A future goodwill impairment test may result in a future non-cash adjustment, which could adversely affect our earnings for any such future period.

Our Chairman Currently has Sufficient Voting Power to Elect a Majority of our Board of Directors.

Our Chairman, Ray C. Anderson, beneficially owns approximately 52% of our outstanding Class B common stock. The holders of the Class B common stock are entitled, as a class, to elect a majority of our Board of Directors. Therefore, Mr. Anderson has sufficient voting power to elect a majority of the Board of Directors. On all other matters submitted to the shareholders for a vote, the holders of the Class B common stock generally vote together as a single class with the holders of the Class A common stock. Mr. Anderson’s beneficial ownership of the outstanding Class A and Class B common stock combined is approximately 6%.

#### Risks Specific to Our Indebtedness and the Notes

In addition to the factors above relating generally to risks associated with our business (and, therefore, to any investment in us), you should also consider the following factors that represent special risks associated with an investment in the exchange notes.

Our Indebtedness, which is Significant in Relation to our Shareholders’ Equity, Requires us to Dedicate a Substantial Portion of our Cash Flow From Operations to Service Debt, and Governs Certain other of our Activities.

Our indebtedness is significant in relation to our shareholders’ equity. As of July 5, 2009, our long-term debt (net of the \$14.6 million of the 10.375% Notes included in our current liabilities) totaled \$279.6 million or approximately 55% of our total capitalization. As a consequence of our level of indebtedness, a substantial portion of our cash flow from operations must be dedicated to debt service requirements. The terms of our primary revolving credit facility in the U.S. and the indenture governing our 9.5% Notes and our 11 3/8% Senior Secured Notes due 2013 govern our ability and the ability of our subsidiaries to, among other things, incur additional indebtedness, pay dividends or make certain other restricted payments or investments in certain situations, consummate certain asset sales, enter into certain transactions with affiliates, create liens, merge or consolidate with any other person, or sell, assign, transfer, lease, convey or otherwise dispose of all or substantially all of our assets. They also require us to comply with certain other reporting, affirmative and negative covenants and, at times, meet certain financial tests. If we fail to satisfy these tests or comply with these covenants, a default may occur, in which case the lenders could accelerate the debt as well as any other debt to which cross-acceleration or cross-default provisions apply. We cannot assure you that we would be able to renegotiate, refinance or otherwise obtain the necessary funds to satisfy these obligations.

As a Result of our Holding Company Structure, the Exchange Notes will Effectively be Subordinated to Indebtedness of our Non-Guarantor Subsidiaries.

Our operations are conducted through our subsidiaries and, therefore, the exchange notes will be effectively subordinated to all indebtedness and other liabilities and commitments of our subsidiaries, other than subsidiaries that are guarantors of the exchange notes. We substantially depend on the earnings and cash flow of our subsidiaries and

must rely upon distributions from our subsidiaries to meet our debt obligations, including our obligations with respect to the exchange notes. Any right of the holders of the exchange notes to participate in the assets of a non-guarantor subsidiary upon any liquidation or reorganization of the subsidiary will be subject to the prior claims of the subsidiary's creditors, including the lenders under our credit facilities and trade creditors. Our non-guarantor subsidiaries generated approximately 50% of our consolidated revenues for the three-month period ended April 5, 2009 and fiscal year 2008 and held approximately 49% and 48% of our consolidated assets as of April 5, 2009 and December 28, 2008, respectively.

The Collateral Securing the Exchange Notes is Subject to Control by Creditors with First-Priority Liens. If there is a Default, the Value of the Collateral may not be Sufficient to Repay both the First-Priority Creditors and the Holders of the Exchange Notes.

The exchange notes will be secured on a second-priority basis by substantially all of the assets of Interface, Inc. and its material U.S. subsidiaries. Our obligations under our domestic revolving credit facility are secured by a first-priority lien on those same assets, including 100% of the capital stock of our principal domestic subsidiaries and up to 65% of the capital stock of our principal first-tier foreign subsidiaries. The liens securing the exchange notes will be subordinated to the first-priority liens securing our domestic revolving credit facility. If there is a default and foreclosure sale of the collateral representing such security, the proceeds from the sale may not be sufficient to satisfy our obligations under the exchange notes. Any such proceeds would be distributed to our creditors under our domestic revolving credit facility before any proceeds would be available for payment to holders of the exchange notes. The holders of the exchange notes will not receive any proceeds from the sale of collateral unless and until all obligations under the domestic revolving credit facility are repaid in full. By its nature, some of the collateral may have limited marketability, be illiquid and may have no readily ascertainable value. Accordingly, we cannot assure you that all of the collateral will be able to be sold or that there will be sufficient funds available to repay the exchange notes after payment in full of any debt outstanding under our domestic revolving credit facility.

The rights of the holders of the exchange notes with respect to the collateral securing the exchange notes also could be adversely affected by the ability of the holders of the obligations secured by the first-priority liens to make a credit bid for all or part of the collateral at any foreclosure sale and will be limited pursuant to the terms of the intercreditor agreement and the other security documents. Under the intercreditor agreement and the other security documents, at any time the obligations that have the benefit of the first-priority liens are outstanding, any action that may be taken in respect of the collateral, including the commencement and control of enforcement proceedings against the collateral and any amendment to, release of collateral from, or waiver of past defaults under the collateral documents, will be at the direction of the holders of the obligations secured by the first-priority liens.

The collateral securing the exchange notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections as may be accepted by the holders of the obligations secured by first-priority liens, whether on or after the date the exchange notes are issued. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the collateral securing the exchange notes as well as the ability of the Trustee to realize or foreclose on such collateral.

The Intercreditor and Security Agreements in connection with the Indenture may limit the Rights of the Holders of the Exchange Notes and their Control with Respect to the Collateral Securing the Exchange Notes.

The rights of the holders of the exchange notes with respect to the collateral securing the exchange notes may be substantially limited pursuant to the terms of the security agreements entered into with respect to the collateral and as set forth in the Indenture and in the intercreditor agreement. Under the intercreditor agreement, at any time that amounts remain outstanding on the obligations secured by the first-priority liens, actions taken in respect of the collateral (including the commencement of enforcement proceedings against the collateral and control of the conduct of these proceedings) may be directed by the holders of the obligations secured by the first-priority liens. As a result, the Trustee, on behalf of the holders of the exchange notes, may not have the ability to control or direct these actions, even if the rights of the holders of the exchange notes are adversely affected. See “Description of Notes — Security” and “Description of Notes — Intercreditor Agreement”.



In the event of a Bankruptcy, the ability of the Holders of the Exchange Notes to Realize Upon the Collateral will be subject to certain Bankruptcy Law Limitations.

Bankruptcy laws could prevent the Trustee from repossessing and disposing of, or otherwise exercising remedies in respect of, the collateral upon the occurrence of an event of default if a bankruptcy proceeding were to be commenced by or against Interface, Inc. or a guarantor prior to the Trustee having repossessed and disposed of, or otherwise having exercised remedies in respect of, the collateral. Under the U.S. bankruptcy code, a secured creditor, such as the holders of the exchange notes, is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from such debtor, without bankruptcy court approval. Moreover, the bankruptcy code permits the debtor to continue to retain and to use collateral even though the debtor is in default under the applicable debt instruments; provided that the secured creditor is given “adequate protection”. While it is intended in general to protect the value of the secured creditor’s interest in the collateral, the meaning of the term “adequate protection” may vary according to circumstances. The court may find “adequate protection” if the debtor pays cash or grants additional security, if and at such times as the court in its discretion determines, for any diminution in the value of the collateral during the pendency of the bankruptcy case. In view of the lack of a precise definition of the term “adequate protection” and the broad discretionary powers of a bankruptcy court, it is impossible to predict how long payments with respect to the exchange notes could be delayed following commencement of a bankruptcy case, whether or when the Trustee could repossess or dispose of the collateral or whether or to what extent holders would be compensated for any delay in payment or loss of value of the collateral through the requirement of “adequate protection”.

In addition, the Trustee may need to evaluate the impact of potential liabilities before determining to foreclose on the collateral, because entities that hold a security interest in real property may be held liable under environmental laws for the costs of remediating or preventing release or threatened releases of hazardous substances at the secured property. In this regard, the Trustee may decline to foreclose on the secured property or exercise remedies available if it does not receive indemnification to its satisfaction from the holders. Finally, the Trustee’s ability to foreclose on the collateral on behalf of the holders of the exchange notes may be subject to lack of perfection, the consent of third parties, prior liens and practical problems associated with the realization of the Trustee’s lien on the collateral.

The Holders of the Exchange Notes will not Control Decisions regarding the Collateral Securing the Exchange Notes.

The lenders under our domestic revolving credit facility, who have a first-priority lien on substantially all of the assets of Interface, Inc. and its material U.S. subsidiaries (except for Interface Global Company ApS), control substantially all matters related to the such collateral and the rights and remedies with respect thereto. At any time that obligations are outstanding under our domestic revolving credit facility, any actions that may be taken in respect of the collateral, including the commencement of enforcement proceedings against the collateral and control of the conduct of such proceedings, and the approval of amendments to and waivers of past defaults under, the collateral documents, will be at the direction of the lenders under our domestic revolving credit facility. As a result, such lenders may dispose of or foreclose on, or take other actions with respect to, the collateral regardless of whether such disposition would be or could be construed as contrary to the interests of the holders of the exchange notes and regardless of whether the holders of the exchange notes object. Also, the holders of the exchange notes will be unable to exercise remedies with respect to the collateral unless and until the lenders under our domestic revolving credit facility exercise their rights and remedies with respect to the collateral, and then only on a limited basis. See “Description of Notes — Intercreditor Agreement”.

Your Right to be Repaid would be Adversely Affected if a Court Determined that any of our Subsidiaries Made any Guarantee for Inadequate Consideration or with the Intent to Defraud Creditors.

Under the federal bankruptcy laws and comparable provisions of state fraudulent transfer laws, any guarantee made by any of our subsidiaries could be voided, or claims under the guarantee made by any of our subsidiaries could be subordinated to all other obligations of any such subsidiary, if the subsidiary, at the time it incurred the obligations under any guarantee:

- incurred the obligations with the intent to hinder, delay or defraud creditors; or
- received less than reasonably equivalent value in exchange for incurring those obligations; and

(1) was insolvent or rendered insolvent by reason of that incurrence;

(2) was engaged in a business or transaction for which the subsidiary's remaining assets constituted unreasonably small capital; or

(3) intended to incur, or believed that it would incur, debts beyond its ability to pay those debts as they mature.

A legal challenge to the obligations under any guarantee on fraudulent conveyance grounds could focus on any benefits received in exchange for the incurrence of those obligations. We believe that each of our subsidiaries making a guarantee received reasonably equivalent value for incurring the guarantee, but a court may disagree with our conclusion or elect to apply a different standard in making its determination.

The measures of insolvency for purposes of the fraudulent transfer laws vary depending on the law applied in the proceeding to determine whether a fraudulent transfer has occurred. Generally, however, an entity would be considered insolvent if:

- the sum of its debts, including contingent liabilities, is greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets is less than the amount that would be required to pay its probable liabilities on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it cannot pay its debts as they become due.

Based on historical financial information, recent operating history and other factors, we believe that, after giving effect to each guarantee, our subsidiaries are not insolvent, do not have unreasonably small capital for the business in which they are engaged and have not incurred debts beyond their ability to pay those debts as they mature. Because the question of whether a transaction is a fraudulent conveyance is fact-based and fact-specific, a court might not agree with us. Neither our counsel nor counsel for the initial purchasers of the original notes has expressed any opinion as to federal or state laws relating to fraudulent transfers.

The Indenture Governing the Exchange Notes, as Well as Other Agreements Governing our Debt, Contain Covenants that may Restrict our Ability to Take Certain Corporate actions.

The indenture governing the exchange notes, as well as other agreements governing our debt, contain covenants that, among other things, restrict our ability and the ability of our subsidiaries to, among other things:

- incur additional indebtedness;
- pay dividends or make other distributions on, redeem or repurchase capital stock;
- make investments or other restricted payments;
- create liens on our assets;
- sell all, or substantially all, of our assets;
- sell securities of our subsidiaries;
- engage in certain types of transactions with affiliates; and
- enter into mergers, consolidations or sales of all or substantially all of our assets.



These covenants are subject to important exceptions and qualifications and, with respect to the exchange notes, are described under the heading “Description of the Notes” in this prospectus. In addition, our domestic revolving credit facility also contains restrictive covenants, including requirements to maintain prescribed financial ratios in certain circumstances, and are also subject to a number of exceptions and qualifications. A failure to comply with the obligations contained in the instruments governing our debt could result in an event of default that would permit acceleration of the related debt and acceleration of debt under other instruments that may contain cross-default or cross-acceleration provisions. We are not sure whether we would have, or be able to obtain, sufficient funds to make any such accelerated payments.

You may be Unable to Sell your Exchange Notes if a Trading Market for the Exchange Notes does not Develop.

You may find it difficult to sell exchange notes because there was no public market for the exchange notes prior to this exchange offer and an active trading market for the exchange notes may not develop. The exchange notes will not be listed for trading on any securities exchange. In addition, the liquidity of the trading market in the exchange notes, and the market price quoted for the exchange notes, may be adversely affected by changes in the overall market for high yield securities and by changes in our financial performance or the prospects for companies in our industry generally. As a result, you cannot be sure that an active trading market will develop for the exchange notes.

We may not be Able to Repurchase Exchange Notes Upon a Change of Control that would be an Event of Default Under the Indenture.

Upon the occurrence of certain specific kinds of change of control events, we will be required to offer to repurchase all outstanding exchange notes. Our domestic revolving credit facility limits our ability to repurchase the exchange notes without the approval of our lenders. In addition, it is possible that, even if such approval were obtained, we would not have sufficient funds at the time of the change of control to make the required repurchase of exchange notes. Certain corporate events that would constitute a change of control under our other senior indebtedness might not constitute a change of control under these exchange notes. Such an occurrence would nonetheless constitute an event of default under our domestic revolving credit facility, entitling the lenders to, among other things, cause all our outstanding debt obligations thereunder to become due and payable, and to proceed against their collateral.

You may not be able to Sell the Original Notes if you do not Exchange them in this Offer.

If you hold original notes and do not exchange them in this offer, you will remain subject to the transfer restrictions applicable to the original notes and reflected in their legend. We issued the original notes under exemptions from the registration requirements of the Securities Act and applicable state securities laws. In general, holders of the original notes may not offer or sell them unless they are exempt from registration or registered under the Securities Act and applicable state securities laws. We have agreed, in certain circumstances, to file a shelf registration statement covering resales of the original notes. Except in those circumstances, we do not intend to register the original notes under the Securities Act. After consummation of this exchange offer, we will have no further obligation to do so. Additionally, there is no existing market for the original notes, and neither we nor any of our affiliates will make a market in the original notes.

If you tender original notes in this exchange offer for the purpose of participating in a distribution of the exchange notes, you may be deemed to have received restricted securities. If so, you will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction. Additionally, as a result of the exchange offer, it is expected that the aggregate principal amount of the original notes will decrease substantially. As a result, it is unlikely that a liquid trading market will exist for the original notes at any time. This lack of liquidity will make transactions more difficult and may reduce the trading price of the original notes. See “The Exchange Offer” and “Description of the Notes — Exchange Offer; Registration Rights Agreement; Special Interest”.

#### USE OF PROCEEDS

This exchange offer is intended to satisfy obligations that we have under the registration rights agreement we entered into with the initial purchasers of the original notes. We will not receive any proceeds from the issuance of the exchange notes. In consideration for issuing the exchange notes, we will receive original notes in like principal amount. The form and terms of the exchange notes are identical in all material respects to the form and terms of the original notes, except as described in “The Exchange Offer — Terms of the Exchange Offer”. The original notes surrendered in exchange for the exchange notes will be retired and cancelled and cannot be reissued. Therefore, issuance of the exchange notes will not result in any increase in our outstanding debt.

The net proceeds from the sale of the original notes were approximately \$139.5 million after deducting the initial purchasers’ discount and other fees and expenses associated with the sale. We used \$133.0 million of those net proceeds in connection with the repurchase of approximately \$127.2 million aggregate principal amount of the 10.375% Notes. In addition, we used \$4.5 million of these proceeds to pay accrued interest on the \$127.2 million aggregate principal amount of the 10.375% Notes tendered. The remaining \$2.1 million of those net proceeds is being held in a bank account that is subject to a lien in favor of the domestic agent under our senior secured domestic revolving credit facility (and is also subject to a lien in favor of the collateral agent for the benefit of the holders of the notes) and will be used to repay the 10.375% Notes that remain outstanding.

## CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization on an actual basis as of April 5, 2009, and on an as adjusted basis to give effect, as of such date, to the offering of the original notes and the application of the net proceeds of the offering. No adjustments have been made to reflect normal course operations by us, or other developments with our business, after April 5, 2009, and thus the as adjusted information provided below is not indicative of our actual cash position or capitalization at any date. You should read this table in conjunction with the information contained in “Summary Financial and Other Data” in this prospectus and in our consolidated financial statements and notes thereto that are included in our filings with the SEC that are incorporated by reference into this prospectus.

	As of April 5, 2009	
	Actual	Adjusted
	(dollars in thousands)	
Cash and cash equivalents	\$ 54,888	\$ 56,908(1)
Long-term debt (including current maturities):		
Revolving credit facilities(2)	—	—
11.375% Senior Secured Notes	—	144,452(3)
10.375% Senior Notes due 2010	141,803	14,596(4)
9.5% Senior Subordinated Notes due 2014	135,000	135,000
Total long-term debt (including current maturities)	276,803	294,048
Total common shareholders' equity	208,260	204,377(5)
Total capitalization	\$ 485,063	\$ 498,425

(1) Includes approximately \$2.1 million of the net proceeds from the offering of the original notes held in a bank account that is subject to a lien in favor of the domestic agent under our senior secured domestic revolving credit facility (and is also subject to a lien in favor of the collateral agent for the benefit of the holders of the Notes) and used to repay the 10.375% Notes that remain outstanding.

(2) Our maximum borrowing capacity under our domestic revolving senior credit facility is \$100.0 million (subject to a borrowing base), with an option to increase the maximum aggregate amount to \$150.0 million (subject to a borrowing base) upon the satisfaction of certain conditions. As of April 5, 2009, there were no borrowings (and \$9.1 million in letters of credit) outstanding under the facility, and we had \$42.1 million of additional borrowing capacity thereunder (this amount would have been \$49.4 million with the receipt of a landlord lien waiver that we have now received for one inventory location). We also maintain, as of May 1, 2009, a €32 million European credit facility for borrowings and bank guarantees in varying aggregate amounts over time. As of April 5, 2009, there were no borrowings outstanding under the European facility, and we could have incurred approximately \$13.2 million of borrowings thereunder.

(3) The original notes were offered at a price of 96.301% of their face value, resulting in approximately \$144.5 million of gross proceeds. The approximately \$5.5 million discount will be amortized and included in interest expense until the notes mature.

(4)

Reflects the purchase of approximately \$127.2 million aggregate principal amount of the 10.375% Notes validly tendered in connection with a tender offer we conducted for our 10.375% Notes.

- (5) Reflects \$3.7 million of expense, after tax, for the premium paid in connection with the repurchase of approximately \$127.2 million aggregate principal amount of the 10.375% Notes that were tendered in the tender offer for our 10.375% Notes. In addition, reflects expense of \$0.2 million, after tax, for the write-down of debt issuance costs related to the tender of the 10.375% Notes.

## THE EXCHANGE OFFER

### Purpose and Effect of the Exchange Offer

On June 5, 2009, we sold the original notes to Banc of America Securities LLC, Citigroup Capital Markets Inc., Wachovia Capital Markets, LLC and BB&T Capital Markets, a division of Scott & Stringfellow, LLC (the “Initial Purchasers”). The Initial Purchasers sold the original notes to institutional investors in reliance on Rule 144A and to non-U.S. persons in reliance on Regulation S promulgated by the SEC under the Securities Act. When we sold the original notes, we and our subsidiary guarantors signed a registration rights agreement for the benefit of holders of original notes. Under that agreement, we agreed to file a registration statement covering an offer to exchange the original notes for senior debt securities with substantially identical terms, primarily in order to eliminate the securities law transfer restrictions that are applicable to holders of the original notes.

We also agreed that if applicable law or SEC staff interpretations do not permit us to effect the exchange offer, if the exchange offer is not consummated within 180 days after the date we issued the original notes, or if any holder notifies us that it:

- (1) is prohibited by applicable law or SEC policy from participating in the exchange offer,  
may not resell exchange notes to the public without delivering a prospectus and this prospectus is not appropriate
- (2) or not available for such resales by such holder, or
- (3) is a broker-dealer and holds original notes acquired directly from us or an affiliate of us

then, we and our subsidiary guarantors would, as promptly as practicable, file a shelf registration statement covering resales of the original notes, and use our commercially reasonable best efforts to cause the shelf registration statement to be declared effective, and to remain current and effective until the earlier of one year after its effective date or when all the notes are sold under the shelf registration statement. If we are required to do so, we will provide to each holder copies of the prospectus, notify each such holder when the shelf registration statement is effective, and take other actions as are required to permit unrestricted resales of the original notes.

The interest rate on the original notes may increase if we do not comply with our obligations under the registration rights agreement.

### Resale of Exchange Notes

We believe that holders of exchange notes issued in the exchange offer may generally offer them for resale and may resell or otherwise transfer them without compliance with the registration and prospectus delivery provisions of the Securities Act. Our belief is based on existing SEC staff interpretations and is subject to the exceptions and qualifications described in “Plan of Distribution”.

Notwithstanding those beliefs, however, each holder of original notes who wishes to exchange them in the exchange offer will be required to make representations to us. These include representations that the holder:

- will acquire the exchange notes in the ordinary course of its business,
- is not engaging in or intending to engage in a distribution of the exchange notes,
-

has no arrangement or understanding with any person to participate in the distribution of the exchange notes, and is not our “affiliate”, as defined in Rule 405 of the Securities Act, or, if the holder is our affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act.

## Terms of the Exchange Offer

We will accept for exchange all original notes properly tendered and not withdrawn prior to \_\_\_\_\_, Eastern Time, on the date this offer expires. The initial expiration date will be \_\_\_\_\_, 2009. We may extend the exchange offer in our discretion. We will only accept original notes that are tendered in compliance with this prospectus and the terms of the letter of transmittal. You must tender original notes only in \$1,000 multiples. We will issue \$1,000 in principal amount of exchange notes in exchange for each \$1,000 in principal amount of original notes tendered and accepted for exchange.

The form and terms of the exchange notes are substantially the same as those of the original notes, except that the exchange notes are registered under the Securities Act. Accordingly, the exchange notes will not bear legends restricting their transfer. The terms of the exchange notes also do not include registration rights and penalty interest provisions applicable to the original notes. The exchange notes evidence the same debt as the original notes. We are issuing the exchange notes under the same indenture as the original notes. The indenture treats the exchange notes and the original notes as a single class of debt securities. The exchange notes and the original notes are entitled to the same benefits under the indenture.

We are not conditioning this exchange offer upon any minimum aggregate principal amount of original notes being tendered for exchange. Holders of original notes will not have any appraisal or dissenters' rights in connection with the exchange offer.

As of the date of this prospectus, we have issued \$150,000,000 in principal amount of the original notes, all of which remain outstanding. We are sending this prospectus, together with the letter of transmittal, to all registered holders of original notes. We will not fix a record date for determining registered holders of original notes entitled to participate in the exchange offer.

We intend to conduct the exchange offer in accordance with the registration rights agreement, the applicable requirements of the Exchange Act and the rules and regulations of the SEC. Any original notes not exchanged in the exchange offer will remain valid and continue to accrue interest. Holders of such notes will remain entitled to the rights and benefits of the indenture and the registration rights agreement.

We will be deemed to have accepted tendered original notes for exchange only when, as, and if we so notify U.S. Bank National Association, the exchange agent, and have complied with the registration rights agreement. We will deliver the exchange notes to U.S. Bank National Association, as agent for the tendering holders.

If, for any reason, we do not accept any tendered original notes for exchange, we will return them, without expense to the tendering holder, promptly after the expiration or termination of the exchange offer.

We will generally pay all charges and expenses in connection with the exchange offer and transfer taxes imposed in connection with the exchange of the original notes for exchange notes in the name of the registered holder of the original notes (as discussed in "The Exchange Offer — Transfer Taxes"). We will not pay taxes imposed for any other reason, such as taxes imposed as a result of a requested issuance of exchange notes in the name of a person other than the registered holder of the original notes. Tendering note holders will not be required to pay brokerage commissions or fees or, in most cases, transfer taxes, with respect to the exchange of their original notes in the exchange offer. See "The Exchange Offer — Fees and Expenses".

Extensions; Amendments; Termination



We may extend the exchange offer by oral notice followed by written notice to the exchange agent and will mail an announcement of the extension to the registered holders of the original notes. The notice and mailing must occur prior to 9:00 a.m., Eastern Time, the next business day after the original expiration date. During any extension, we may continue to accept for exchange any previously tendered original notes that have not been withdrawn. During an extension, any holders who previously tendered original notes for exchange will be permitted to withdraw them.

We also reserve the right, in our sole discretion, to terminate the exchange offer if any of the conditions described in “The Exchange Offer — Conditions to the Exchange Offer” are not satisfied, or to amend the terms of the exchange offer in any manner.

We may terminate or amend the exchange offer by notice to the exchange agent. We will also notify the registered holders of original notes of termination or amendment as promptly as practicable. If we amend the exchange offer in a way we consider material, we will prepare a supplement to this prospectus in order to reflect the amendment and will distribute the prospectus supplement to the registered holders. Depending upon the significance of the amendment and the means we choose to notify registered holders, we may extend the exchange offer, if we deem necessary, to allow registered holders time to consider the effect of the amendment.

#### Interest on the Exchange Notes

As with the original notes, we will pay interest on the exchange notes at an annual rate of 11 3/8 %. We will pay accrued interest semi-annually, on May 1 and November 1. We will make our first interest payment on November 1, 2009. The first payment will include interest from the date we initially issue the exchange notes, plus any accrued interest on the original notes for the period from their initial issue through the date of exchange. Once we issue the exchange notes, interest will no longer accrue on original notes accepted for exchange.

#### Conditions to the Exchange Offer

We are not required to accept any original notes for exchange, or to issue any exchange notes, and we may terminate the exchange offer before we accept any original notes for exchange, if:

- any person sues, or threatens to sue, in any forum with respect to the exchange offer and, in our reasonable judgment, the suit might materially impair our ability to proceed with the exchange offer,
- a government proposes, adopts or enacts any law, statute, rule or regulation, or the SEC staff interprets any existing law, statute, rule or regulation in a way that, we believe, in our reasonable judgment, might materially impair our ability to proceed with the exchange offer, or
- we do not receive any governmental approval that we, in our reasonable judgment, deem necessary to complete the exchange offer.

These conditions are for our sole benefit. We may assert or waive any of them, in whole or part, at any time and from time to time, prior to the expiration of the exchange offer, in our reasonable judgment, whether or not we waive any other conditions of the exchange offer. Our failure or delay at any time prior to the expiration of the exchange offer to exercise any of these rights will not be deemed a waiver of any such rights. The waiver of any of these rights with respect to particular facts and circumstances will not be deemed a waiver with respect to any other facts and circumstances, provided that we will treat all tendering holders equally with respect to the same facts and circumstances.

In addition, we will not accept any original notes for exchange, and we will not issue any exchange notes, if the SEC has threatened or issued a stop order with respect to:

- the registration statement of which this prospectus is a part, or
- the qualification of the indenture under the Trust Indenture Act of 1939.

#### Procedures for Tendering

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You may only tender original notes held by you. To tender such notes, unless the tender is made in book-entry form, you must complete, sign, and date the letter of transmittal or a facsimile of the letter of transmittal, as well as comply with one of the procedures below for actual delivery of the original notes to us. Under specific circumstances described in the letter of transmittal, you must have your signature guaranteed. You must mail or deliver the letter of transmittal to the exchange agent before \_\_\_\_\_, Eastern Time, on \_\_\_\_\_, 2009, the day the offer expires. In addition, either

- you must deliver your original notes to the exchange agent with your letter of transmittal, or
  - you must comply with the guaranteed delivery procedures.

The exchange agent must receive the letter of transmittal and other required documents before \_\_\_\_\_, Eastern Time, on \_\_\_\_\_, 2009, the date the offer expires. Otherwise, we will not consider your notes to be properly tendered, and we will not accept them for exchange. The exchange agent's address is set forth on page 28 and also printed on the back cover page of this prospectus. Do not send your letter of transmittal or any original notes to us.

We discuss the procedures for book entry transfer and guaranteed delivery in the next two sections below.

By tendering and not withdrawing original notes before the exchange offer expires, you agree to the terms and conditions described in this prospectus and the letter of transmittal. No alternative, conditional, irregular or contingent tender of original notes will be accepted.

We recommend that you use an overnight or hand delivery service instead of regular mail. In all cases, you should allow sufficient time for your tender materials to be delivered to the exchange agent before the offer expires. You may ask your broker, dealer, commercial bank, trust company or other nominee to handle these formalities for you. However, you are responsible for choosing how to deliver your original notes, the letter of transmittal and any other required documents to the exchange agent. You alone bear the risk of non-delivery or late delivery.

If you wish to tender any original notes of which you are the beneficial owner but that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, you should contact the registered holder as soon as possible and arrange with the registered holder to tender on your behalf. If instead you wish to tender on your own behalf, you must first either:

- \_\_\_\_\_ arrange to re-register the original notes in your name, or
- \_\_\_\_\_ obtain a properly completed bond power from the registered holder of the original notes.

Please note that such a transfer of registered ownership may take considerable time. We cannot assure you that you will be able to re-register your original notes before the exchange offer expires.

If the letter of transmittal is signed by anyone other than the registered holder of the tendered original notes, we will only accept the notes for exchange if:

- \_\_\_\_\_ the registered holder:
  - (a) \_\_\_\_\_ endorses the original notes, or
  - (b) \_\_\_\_\_ executes a properly completed bond power, and
- \_\_\_\_\_ an eligible guarantor institution guarantees the registered holder's signature.

Eligible guarantor institutions are:

- \_\_\_\_\_ a member firm of a registered national securities exchange,
- \_\_\_\_\_ a member firm of the Financial Industry Regulatory Authority, Inc.,
- \_\_\_\_\_ a commercial bank or trust company having an office or correspondent in the United States, or

an “eligible guarantor institution” within the meaning of Rule 17Ad-15 under the Exchange Act and which is a member of a recognized signature guarantee program identified in the letter of transmittal.

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The signature guarantee requirement does not apply to you if:

• you do not check the “Special Issuance Instructions” or “Special Delivery Instructions” boxes on the letter of transmittal, or

- you are tendering for the account of an eligible institution.

If you sign a letter of transmittal or any original notes or bond powers in your capacity as a trustee, executor, administrator, guardian, attorney-in-fact, corporate officer or other fiduciary or representative, you should indicate your capacity when signing. You must provide with the letter of transmittal evidence satisfactory to us of your authority to act.

We will resolve all questions as to the validity, form, eligibility (including time of receipt), acceptance, and withdrawal of tendered original notes in our sole discretion. Our determinations on these issues and our interpretation of the terms and conditions of the exchange offer, including the instructions in the letter of transmittal, will be final and binding on all parties. We reserve the right to reject:

- any original notes that are not validly tendered, or
- any original notes where our acceptance would, in the opinion of our counsel, be unlawful.

We also reserve the right to waive any defects, irregularities or conditions of tender as to particular original notes. We may, in our discretion, allow tendering note holders an opportunity to cure any defects or irregularities with respect to particular original notes. We will in all cases, however, treat tendering holders equally with respect to the same facts and circumstances in our exercise, or not, of the above rights. Although we intend to notify holders of any defects or irregularities affecting their tenders, neither we, the exchange agent nor any other person shall be liable for any failure to give such notice. We will not consider a holder to have tendered original notes until the holder cures, or we waive, all defects or irregularities. Unless the holder instructs differently in the letter of transmittal, the exchange agent will return improperly tendered original notes to the tendering holder promptly after the exchange offer expires.

We will issue exchange notes only after the exchange agent timely receives:

either:

(a) the tendered original notes, or

(b) confirmation that they have been transferred by book entry into the exchange agent's account at the Depository Trust Company,

• a properly completed, duly executed letter of transmittal, and

• all other documents that might be required as indicated above or in the letter of transmittal.

If we do not accept your tendered original notes for exchange for any reason, or if you submit more original notes than your letter of transmittal indicates you wish to exchange, we will return the unaccepted or excess original notes to you, without cost, promptly after the expiration or termination of the exchange offer. If you tendered the original notes by book-entry transfer, we will have the unaccepted or excess original notes credited to an account maintained with the Depository Trust Company.

Book-Entry Transfer

Within two days after the date of this prospectus, the exchange agent will ask the Depository Trust Company to establish an account for purposes of receiving original notes tendered in connection with the exchange offer. Any institution that is a participant in Depository Trust Company's Automated Tender Offer Program (ATOP) may make book-entry delivery of the original notes through ATOP, which enables a custodial entity, and the beneficial owner on whose behalf the custodial entity is acting, to electronically agree to be bound by the letter of transmittal. A letter of transmittal need not accompany tenders offered through ATOP.

If you deliver original notes by book-entry transfer, the Depository Trust Company must confirm to the exchange agent that the original notes have been transferred by book entry into the exchange agent's account with Depository Trust Company.

#### Guaranteed Delivery Procedures

You may use the guaranteed delivery procedures we describe in this section if you wish to tender your original notes and either:

- you do not have immediate access to your original notes;
- you cannot deliver your original notes, the letter of transmittal or any other required document to the exchange agent before the offer expires; or
- you are unable to complete the procedure for book-entry transfer on a timely basis.

The guaranteed delivery procedures require that:

- the tender is made through an eligible institution;
- the eligible institution, before the exchange offer expires, delivers a notice of guaranteed delivery (by fax, mail or hand delivery) to the exchange agent, which notice:
- identifies the name and address of the holder,
  - identifies the registered number(s) and principal amount of the original notes tendered,
  - states that the original notes are being tendered, and
- guarantees that the eligible institution will deliver the letter of transmittal, the original notes, and any other required documents to the exchange agent within three (3) Nasdaq trading days after the offer expires; and
- the exchange agent actually receives the letter of transmittal, the tendered original notes, and all other required documents within three (3) Nasdaq trading days after the offer expires. The eligible institution may deliver the original notes by book-entry transfer as described in the preceding section.

Upon request, the exchange agent will send a form of notice of guaranteed delivery to holders who wish to use these guaranteed delivery procedures. If you use the guaranteed delivery procedures, you must comply with them within the time period described in this section.

#### Withdrawal of Tenders

Except as otherwise provided in this prospectus, you may withdraw your tender of original notes at any time before \_\_\_\_\_, Eastern Time, on \_\_\_\_\_, 2009, the day before the exchange offer expires. If we extend the exchange offer beyond that date, you will be entitled to withdraw your tender of original notes during the extension period on the same terms described here for the initial offer period.



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For your withdrawal to be effective, the exchange agent must receive a timely written notice of withdrawal at one of the addresses listed in the “Exchange Agent” section below. The notice of withdrawal must:

- identify the person who tendered the original notes,
  - identify the original notes to be withdrawn, including their principal amount(s), and
- where certificates for original notes have been transmitted, specify the name of the registered holder of the original notes if different from the name of the withdrawing holder.

If the exchange agent has received certificates for original notes, then, before it will release the certificates, the withdrawing holder must also provide:

- the serial numbers of the particular certificates to be withdrawn, and
- a signed notice of withdrawal with signatures guaranteed by an eligible institution, unless the withdrawing holder is itself an eligible institution.

If you tendered original notes using the book-entry transfer procedures, we will have the original notes credited to an account maintained with the Depository Trust Company. Your notice of withdrawal must specify the name and number of the account at the Depository Trust Company to which you want the withdrawn original notes credited. Your notice of withdrawal must also comply with any procedures of the Depository Trust Company.

As mentioned earlier, we reserve the right to resolve all questions as to the validity, form and eligibility, including time of receipt, of notices of withdrawal. Our determination on these issues will be final and binding on all parties.

We will treat any withdrawn original notes as not validly tendered, and will return them to their holder without cost, promptly after withdrawal. You may re-tender any properly withdrawn original notes by again following the tender procedures described in this prospectus before the offer expires.

#### Exchange Agent

We have appointed U.S. Bank National Association as our exchange agent for this exchange offer. You should contact the exchange agent with any questions or requests for:

- assistance,
- additional copies of this prospectus,
- additional copies of the letter of transmittal, or
- copies of the notice of guaranteed delivery.

You may contact the exchange agent as follows:

By Overnight Courier, Hand Delivery or Registered or Certified Mail (Eligible Institutions Only):

Mail:

U.S. Bank National Association  
West Side Flats Operations Center  
Attention: Specialized Finance  
60 Livingston Avenue  
Mail Station—EP-MN-WS2N  
St. Paul, Minnesota 55107-2292

(651) 495-8158

Attention: Specialized Finance

Confirm by Telephone or for Information:

(800) 934-6802

#### Fees and Expenses

We will pay the expenses of soliciting tenders. We will make the principal solicitation by mail. We may make additional solicitations by telegraph, facsimile or telephone. We may also have our officers and regular employees

make in-person solicitations.

We have not retained any dealer-manager in connection with the exchange offer. We will not pay any broker-dealers or others to solicit acceptances of the exchange offer. We will pay the exchange agent reasonable and customary fees for its services and will reimburse its reasonable out-of-pocket expenses in connection with the exchange offer.

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We estimate that we will incur and pay \$\_\_\_\_\_ in cash expenses in connection with the exchange offer. These expenses include registration fees, fees and expenses of the exchange agent and trustee, accounting and legal fees, printing costs, and related fees and expenses.

#### Transfer Taxes

We will pay any transfer taxes imposed on the registered holder of original notes solely as a result of such holder's tender thereof for exchange notes issued to such holders in the exchange offer. We will not, however, pay any transfer taxes arising for any other reason. The tendering holder will be required to pay any such other taxes, whether imposed on the registered holder or any other person. For example, we will not pay taxes imposed on:

- the transfer, issuance or delivery of unexchanged original notes to any person other than their registered holder, or
- the registration of any original notes or exchange notes in the name of any person other than the tendering registered holder.

If the tendering holder does not provide with the letter of transmittal satisfactory evidence that it has paid or is exempt from any such other transfer taxes, such transfer taxes will be billed directly to such tendering holder.

#### Consequences of Failure to Exchange

If you do not exchange your original notes in the exchange offer, your notes will continue to be subject to transfer restrictions, as reflected in their restrictive legends. These restrictions apply because we issued the original notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may not offer or sell the original notes unless they are registered under the Securities Act, except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws. We do not plan to register the original notes under the Securities Act.

The securities laws of some states and other jurisdictions also prohibit the offer or sale of the original notes (and the exchange notes) unless they have been registered under those laws or are exempt from their registration requirements. We have agreed in the registration rights agreement, subject to limitations, to register or qualify the exchange notes for offer or sale under the securities or blue sky laws of such jurisdictions if a holder of exchange notes reasonably requests in writing. We do not intend to register or qualify the original notes under any such laws.

## SELECTED CONSOLIDATED FINANCIAL AND OTHER DATA

We derived certain of the summary consolidated financial and other data presented below from our audited consolidated financial statements and the notes thereto and our unaudited consolidated condensed financial statements and the notes thereto for the periods indicated. You should read the summary financial information presented below together with our audited consolidated financial statements and the notes thereto included in our Current Report on Form 8-K filed July 27, 2009, which includes certain retrospective adjustments made to our Annual Report on Form 10-K for the year ended December 28, 2008 to reflect the impact of adopting SFAS No. 160 and FSP EITF 03-6-1, and our unaudited consolidated condensed financial statements and the notes thereto included in our Quarterly Report on Form 10-Q for the quarter ended April 5, 2009, each of which are incorporated by reference into this prospectus.

	As of and for the Year Ended(1)					As of and for the Three Months Ended	
	January 2, 2005	January 1, 2006	December 31, 2006 (audited)	December 30, 2007	December 28, 2008	March 30, 2008	April 5, 2009 (unaudited)
(dollars in thousands, except per share data)							
Statement of Income Data:							
Net sales	\$ 695,250	\$ 786,924	\$ 914,659	\$ 1,081,273	\$ 1,082,344	\$ 261,736	\$ 199,308
Gross profit on sales	226,085	259,277	311,108	377,522	372,045	94,266	63,169
Selling, general and administrative expenses	166,167	181,561	211,487	246,258	258,198	63,295	54,371
Restructuring charge	—	—	—	—	10,975	—	5,724
Operating income	59,918	77,716	99,621	129,391	41,659	30,971	3,074
Interest expense	46,023	45,541	42,204	34,110	31,480	7,828	7,673
Income (loss) from continuing operations (2)(3)	6,386	15,933	36,235	58,972	(34,513)	14,297	(3,373)
Income (loss) per share attributable to Interface, Inc. common shareholders from continuing operations(4):							
Basic	\$ 0.11	\$ 0.29	\$ 0.65	\$ 0.94	\$ (0.58)	\$ 0.23	\$ (0.06)
Diluted	\$ 0.11	\$ 0.28	\$ 0.64	\$ 0.93	\$ (0.58)	\$ 0.22	\$ (0.06)
	\$ —	\$ —	\$ —	\$ 0.08	\$ 0.12	\$ 0.03	\$ 0.0025

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Cash dividends  
per common  
share

Other Data:

Adjusted

EBITDA(5)	\$ 82,825	\$ 98,164	\$ 121,371	\$ 151,878	\$ 137,511	\$ 37,466	\$ 15,046
Depreciation and amortization	22,907	20,448	21,750	22,487	23,664	6,495	6,248
Capital expenditures	11,600	19,354	28,540	40,592	29,300	6,014	5,557
Ratio of earnings to fixed charges(6)	1.2x	1.5x	2.0x	3.1x	1.2x	3.2x	0.6x

	January 2, 2005	January 1, 2006	As of December 31, 2006 (audited)	December 30, 2007	December 28, 2008	As of March 30, 2008 (unaudited)	April 5, 2009
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(dollars in  
thousands)

Balance Sheet

Data:

Cash and cash

equivalents \$ 17,158 \$ 47,275 \$ 109,157 \$ 82,375 \$ 71,757 \$ 59,294 \$ 54,888

Accounts  
receivable, net 114,980 114,070 143,025 178,625 144,783 161,942 113,118

Inventories 93,674 87,823 112,293 125,789 128,923 150,836 124,811

Property and  
Equipment 118,493 115,890 134,631 161,874 160,717 168,519 157,891

Working  
capital(7) 344,460 317,668 380,253 238,578 221,323 250,825 201,777

Current maturities  
of long-term  
debt(8) — — — — — — 141,803

Total assets 869,798 838,990 928,340 835,232 706,035 839,623 651,894

Total long-term  
debt(8) 460,000 458,000 411,365 310,000 287,588 310,000 135,000

Total  
shareholders'  
equity(3) 198,309 176,485 279,900 301,116 217,437 329,483 208,260

Total  
capitalization(9) 658,309 634,485 691,265 611,116 505,025 639,483 485,063

(1) In the third quarter of 2007, we sold our Fabrics Group business segment. In the third quarter of 2004, we also decided to discontinue the operations related to our Re:Source dealer businesses (as well as the operations of a small Australian dealer business and a small residential fabrics business). The data has been adjusted to reflect the discontinued operations of these businesses.



- (2) Included in our 2007 income from continuing operations is a loss of \$1.9 million on the disposition of our Pandel business, which comprised our Specialty Products segment. Included in the 2008 loss from continuing operations is a non-cash charge of \$61.2 million for impairment of goodwill of our Bentley Prince Street business segment, as well as tax expense of \$13.3 million related to the anticipated repatriation in 2009 of foreign earnings. For further analysis, see the note entitled “Taxes on Income” in the notes to consolidated financial statements included in our Form 8-K filed July 27, 2009 incorporated by reference into this prospectus.
- (3) All periods presented have been adjusted to reflect the adoption of SFAS 160 “Noncontrolling Interests in Consolidated Financial Statements — an amendment to ARB No. 51”. This standard was adopted by us in the first quarter of 2009.
- (4) Amounts for all periods presented have been adjusted to reflect the adoption of FSP EITF 03-6-1. This standard was adopted by us in the first quarter of 2009.
- (5) Adjusted EBITDA represents operating income plus depreciation, amortization, goodwill impairment and restructuring charges, as indicated below. While adjusted EBITDA should not be construed as a substitute for operating income, which is determined in accordance with generally accepted accounting principles, it is included herein to provide additional information with respect to our ability to meet our future debt service, capital expenditures and working capital requirements. Adjusted EBITDA is not necessarily a measure of our ability to fund cash needs. The following are our components of adjusted EBITDA:

	January 2, 2005	January 1, 2006	For the Year Ended			For the Three Months Ended	
			December 31, 2006 (audited)	December 30, 2007	December 28, 2008	March 30, 2008 (unaudited)	April 5, 2009 (unaudited)
(dollars in thousands)							
Operating income	\$ 59,918	\$ 77,716	\$ 99,621	\$ 129,391	\$ 41,659	\$	\$