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UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT  
TO SECTION 13 OR 15(D) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) January 27, 2005

TEMPUR-PEDIC INTERNATIONAL INC.  
(Exact Name of Registrant as Specified in Its Charter)

DELAWARE (State or other jurisdiction of incorporation)	001-31922 (Commission File No.)	33-1022198 (I.R.S. Employer Identification No.)
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1713 Jaggie Fox Way  
Lexington, Kentucky 40511  
(Address of principal executive offices) (Zip Code)

(800) 878-8889  
(Registrant's telephone number, including area code)

N/A  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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ITEM 2.02. RESULTS OF OPERATIONS AND FINANCIAL CONDITION.

On January 27, 2005, Tempur-Pedic International Inc. issued a press release to announce its financial results for the fourth quarter and full year ended December 31, 2004, including certain non-GAAP financial results, and to raise its guidance for the full year 2005. This press release includes reconciliations of such non-GAAP financial measures to the most directly comparable GAAP financial measures and is furnished herewith as Exhibit 99.1 and incorporated by reference herein.

The information in this report (including Exhibit 99.1) shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

ITEM 7.01. REGULATION FD DISCLOSURE.

The information furnished under Item 2.02 of this Form 8-K, including Exhibit 99.1 furnished herewith, is hereby incorporated by reference under this Item 7.01 as if fully set forth herein.

ITEM 9.01. FINANCIAL STATEMENTS AND EXHIBITS.

(a) Financial Statements of Businesses Acquired.

Not applicable.

(b) Pro Forma Financial Information.

Not applicable.

(c) Exhibits.

99.1. Press release dated January 27, 2005 titled "Tempur-Pedic International Achieves 45% Net Sales Increase in Fourth Quarter of 2004".

SIGNATURES

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

Date: January 27, 2005

Tempur-Pedic International Inc.

By: /s/ Robert B. Trussell, Jr

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Name: Robert B. Trussell, Jr.

Title: Chief Executive Officer

EXHIBIT INDEX

EXHIBIT	DESCRIPTION
99.1	Press release dated January 27, 2005, titled "Tempur-Pedic International Achieves 45% Net Sales Increase in Fourth Quarter of 2004".

TEMPUR-PEDIC INTERNATIONAL ACHIEVES 45% NET SALES INCREASE IN  
FOURTH QUARTER OF 2004

REPORTS PRO FORMA NET INCOME OF \$0.25 PER DILUTED SHARE, GAAP NET INCOME OF  
\$0.23 PER DILUTED SHARE

RAISES NET SALES AND EPS GUIDANCE FOR 2005

LEXINGTON, Ky., Jan. 27 /PRNewswire-FirstCall/ -- Tempur-Pedic International Inc. (NYSE: TPX), the market-leading manufacturer, marketer and distributor of premium mattresses and pillows worldwide, today announced net sales and earnings for the fourth quarter and full year ended December 31, 2004.

Fourth Quarter 2004 Highlights

- Pro forma net income rose 85% to \$25.7 million, or \$0.25 per diluted share, from \$13.9 million, or \$0.14 per diluted share, in the fourth quarter of 2003. The Company reported net income under GAAP of \$23.9 million, or \$0.23 per diluted share, compared to \$11.6 million, or \$0.12 per diluted share, in the fourth quarter of 2003, an increase in net income of 106%.
- Net sales rose 45% to \$198.4 million from \$136.8 million in the fourth quarter of 2003.
- Operating margin increased to 22.5% from 18.2% in the fourth quarter of 2003.
- Net sales increased in all channels, with particularly strong growth in the Company's retail channel, where net sales rose 52%. Sales in the U.S. retail channel were especially strong.
- Worldwide, mattress net sales increased 59% on unit growth of 47%. In addition, pillow net sales increased 20% on unit growth of 22%.

Chief Executive Officer Robert B. Trussell, Jr. commented, "The fourth quarter continued an outstanding year for Tempur-Pedic International. We achieved record growth in both sales and earnings, and reinforced our leadership position in the premium bedding category by offering products that provide greater overall comfort and sleep quality. We also successfully expanded our distribution, broadened our product offering and increased our global brand awareness worldwide, all key elements in our strategy to build Tempur-Pedic into the world's largest and most profitable mattress company."

President H. Thomas Bryant added, "During 2004, we substantially exceeded even the ambitious milestones we set for our Company at the beginning of the year. On a global basis, retail store sales, which were an especially strong driver throughout the year, rose 52% in the fourth quarter, accounting for 73% of total net sales. In total, our products are now sold in approximately 4,100 furniture retail stores in the U.S. and approximately 3,300 internationally. While mattress sales jumped 59% as we continued to expand the number of retail stores that carry Tempur-Pedic products, pillow sales were also strong, driven by the new models we recently introduced in the U.S., resulting in a 28% U.S. net sales growth in pillows. Overall, net sales in the U.S. climbed an impressive 53% in the fourth quarter, while international net sales also increased sharply, rising 33%.

"In addition to delivering outstanding financial results, the Company made progress in several other important areas. As planned, we completed the expansion of our Denmark manufacturing facility, doubling its mattress capacity. The construction of our new plant in Albuquerque, which will enable us to better service the fast-growing U.S. market, is moving ahead according to schedule. In January, we launched a new website, [www.800pillows.com](http://www.800pillows.com), designed to help customers find the best pillow for their individual needs. We also continued to receive recognition for the quality of our products. In December, 'The ComfortPillow by TempurPedic' was awarded 'Best Buy' status in the premium pillow category by Consumers Digest magazine. Also during the quarter, our new Scandinavian mattress was selected by Elle Interior, the Swedish Elle magazine, as first prize winner in the furniture category for the magazine's Swedish Design 2004 nominees.

"We are continuing to manage Tempur-Pedic International's rapid growth smoothly, and this discipline will serve us well as we continue to execute on the Company's proven business model. In the fourth quarter we hired two key executives. Matt Clift, our new Executive Vice President of Operations, and Paul Coulis, President of our U.S. Medical Division, will contribute greatly to the Company's efforts.

"In 2005, we plan to continue to expand our furniture retail base in both the U.S. and internationally. We will also continue the roll-out of our futon product, which began shipping to stores in the Japanese market in December, and plan to introduce at least one more new mattress model in both the U.S. and Europe in 2005. Additionally, we will continue to build global brand awareness by expanding our targeted marketing and advertising campaigns."

#### 2005 Guidance

Mr. Trussell concluded, "As a result of our strong performance in 2004 and very positive outlook for the coming year, we are raising the full-year guidance we previously provided for 2005. Based on the many initiatives we have underway to add new accounts, new stores and new products, we now expect the Company's net sales for 2005 to range from \$830 million to \$850 million, rather than the \$810 million to \$830 million referred to in our previous guidance. In addition, we expect pro forma diluted net income per share to range between \$1.00 to \$1.05 rather than the \$0.95 to \$1.00 referred to in our previous guidance.

"We expect sales and earnings in 2005 to follow a quarterly pattern consistent with that of 2004. Our earnings guidance reflects the Company's traditional practice of incurring heavier marketing expenditures as a percentage of sales in the first quarter of each year."

The Company notes that its expectations are based on information available at the time of this release, and are subject to changing conditions, many of which are outside the Company's control.

#### Full-year 2004 Financial Summary

For the full year ended December 31, 2004, net sales totaled \$684.9 million, 43% higher than net sales for the year ended December 31, 2003. The Company also reported full year 2004 pro forma net income of \$84.4 million, or \$0.82 per diluted share, compared to \$52.1 million, or \$0.55 per diluted share, for 2003. This represents a 62% increase in pro forma net income and a 49% increase in pro forma net income per diluted share. The Company reported full year 2004 net income under Generally Accepted Accounting Principles ("GAAP") of \$75.0 million, or \$0.73 per diluted share, compared to \$37.6 million, or \$0.39 per diluted share, for 2003.

For a complete discussion of pro forma adjustments, see the Supplemental Information included later in this press release.

#### Conference Call Information

As previously announced, Tempur-Pedic International will host a live conference call featuring Chief Executive Officer Robert Trussell, Jr., President H. Thomas Bryant, and Chief Financial Officer Dale Williams to discuss fourth quarter and full-year financial results today, January 27, 2005 at 5:00 p.m. Eastern Time (2 p.m. Pacific Time). The dial-in number for the conference call is 706-634-0167. The call is also being webcast, and can be accessed at <http://www.tempurpedic.com>.

For those who cannot listen to the live broadcast, a replay of the call will be available from January 27, 2005 at 8:00 p.m. Eastern Time through February 03, 2005. To listen to the telephone replay, dial 706-645-9291, conference ID #3344900.

An archived webcast will also be available on the Tempur-Pedic International investor relations website at <http://www.tempurpedic.com/ir>.

#### Forward-Looking Statements

This release contains "forward-looking statements," which include information concerning one or more of the Company's plans, objectives, goals, strategies, future revenues and performance, capital expenditures, financing needs and other information that is not historical information. When used in this release, the words "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including without limitation, management's expectations regarding continued growth and its net sales and pro forma and GAAP net income for 2005, the construction of its Albuquerque facility and the timing of new products, are based upon current expectations and beliefs and various assumptions. There can be no assurance that the Company will realize these expectations or that these beliefs will prove correct.

There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements contained in this release. Numerous factors, many of which are beyond the Company's control, could cause actual results to differ materially from those expressed as forward-looking statements. Certain of these risk factors are discussed in the Company's filings with the Securities and Exchange Commission, including without limitation the Company's annual report on Form 10-K under the headings "Special Note Regarding Forward Looking Statements" and "Business-Risk Factors". Any forward-looking statement speaks only as of the date on which it is made, and the Company undertakes no obligation to update any forward-looking statements to reflect events or circumstances after the date on which it is made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

## About the Company

Tempur-Pedic International Inc. (NYSE: TPX) manufactures and distributes Swedish Mattresses and Neck Pillows(TM) made from its proprietary Tempur(R) pressure-relieving material, a visco-elastic material that conforms to the body to provide support and help alleviate pressure points. Products are currently sold in 60 countries under the Tempur(R) and Tempur-Pedic(R) brand names. World headquarters for Tempur-Pedic International are in Lexington, KY.

For more information, visit <http://www.tempurpedic.com> or call 800-805-3635. To visit Tempur-Pedic's celebrity connection, visit <http://www.mattressofthestars.com>.

### TEMPUR-PEDIC INTERNATIONAL INC. AND SUBSIDIARIES Consolidated Statements of Income

(\$ in thousands,  
except per share data)

	Three Months Ended December 31,			Twelve Months Ended December 31,		
	2004	2003	Chg %	2004	2003	Chg %
Net sales	\$ 198,406	\$ 136,776	45%	\$ 684,866	\$ 479,135	43%
Cost of sales	95,624	65,060		323,852	223,865	
Gross profit	102,782	71,716	43%	361,014	255,270	41%
Selling expenses	37,216	31,201		138,735	106,700	
General and administrative expenses	19,987	15,345		68,961	50,001	
Research and development expenses	902	305		2,283	1,495	
Operating income	44,677	24,865	80%	151,035	97,074	56%
Other income (expense), net:						
Interest expense, net	(5,685)	(6,778)		(23,550)	(20,521)	
Loss on debt extinguishment	-	-		(5,381)	(13,669)	
Other income (expense), net	62	(207)		83	(1,682)	
Total other expense, net	(5,623)	(6,985)		(28,848)	(35,872)	
Income before income taxes	39,054	17,880		122,187	61,202	
Income tax provision	15,174	6,295		47,180	23,627	
Net Income	\$ 23,880	\$ 11,585	106%	\$ 75,007	\$ 37,575	100%
Basic earnings per share	\$ 0.24	\$ 0.53	(55)%	\$ 0.77	\$ 3.32	(77)%
Diluted earnings per share	\$ 0.23	\$ 0.12	92%	\$ 0.73	\$ 0.39	87%
Dilutive weighted average shares outstanding (in thousands)	103,208	97,266		102,876	95,331	

## Supplemental Information

### Pro Forma Net Income and Other Financial Data

To further provide investors useful information, pro forma net income is presented and represents the Company's GAAP net income before non-cash stock-based compensation expense of \$0.9 million and \$2.4 million for the three months ended December 31, 2004 and 2003, respectively, and \$5.2 million and \$4.1 million for the twelve months ended December 31, 2004 and 2003, respectively. The Company has unearned non-cash stock-based compensation of \$3.8 million as of December 31, 2004 that will be recognized as expense in future periods. For the three and twelve months ended December 31, 2004, GAAP net income includes \$0.9 million of secondary public offering expenses related to the registration and offering of the company's common stock in the fourth quarter of 2004, while pro forma net income excludes these expenses. In addition to these pro forma adjustments, GAAP net income includes, and pro forma net income excludes, a loss on debt extinguishment totaling \$3.3 million, net of tax, for the twelve months ended December 31, 2004 relating to the Company's redemption in January 2004 of \$52.5 million aggregate principal amount of the outstanding 10-1/4% Senior Subordinated Notes due 2010 issued by its subsidiaries Tempur-Pedic, Inc. and Tempur Production USA, Inc. For the twelve months ended December 31, 2003, GAAP net income includes, and pro forma net income excludes, transaction related expenses totaling \$10.4 million, net of tax, relating to the write-off of deferred financing fess, original issue discount and prepayment penalties relating to the Company's re-capitalization in August 2003, and these amounts are included in loss on debt extinguishment, net of tax.

The Company believes that excluding non-cash stock-based compensation expense, secondary public offering expenses, and loss on debt extinguishment provides a measure that is more representative of ongoing costs and therefore more comparable to the Company's historical operations. The following is a reconciliation of GAAP net income to pro forma net income and per share amounts:

TEMPUR-PEDIC INTERNATIONAL INC. AND SUBSIDIARIES  
Reconciliation of GAAP Net Income to Pro Forma Net Income,  
and Other Financial Data

(\$ in thousands,  
except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2004	2003	2004	2003
GAAP net income	\$ 23,880	\$ 11,585	\$ 75,007	\$ 37,575
Non-cash stock-based compensation expense	915	2,358	5,171	4,078
Secondary public offering expenses	939	-	939	-
Loss on debt extinguishment, net of tax	-	-	3,309	10,401
Pro forma net income	\$ 25,734	\$ 13,943	\$ 84,426	\$ 52,054
GAAP net income per share, diluted	\$ 0.23	\$ 0.12	\$ 0.73	\$ 0.39
Pro forma net income per share, diluted	\$ 0.25	\$ 0.14	\$ 0.82	\$ 0.55
Other financial data				
Depreciation and amortization	\$ 7,325	\$ 7,659	\$ 28,519	\$ 23,975
Net debt	\$ 261,303	\$ 362,292	\$ 261,303	\$ 362,292

Summary of Channel Sales

The Company generates sales through four distribution channels: retail, direct, healthcare and third party. The retail channel sells to furniture, specialty and department stores globally. The direct channel sells directly to consumers. The healthcare channel sells to hospitals, nursing homes, healthcare professionals and medical retailers. The third party channel sells to distributors in countries where Tempur-Pedic International does not operate its own distribution company.

The following table highlights net sales information, by channel and by segment, for the fourth quarter of 2004 compared to 2003:

(\$ in thousands)

	CONSOLIDATED Three Months Ended December 31,		DOMESTIC Three Months Ended December 31,		INTERNATIONAL Three Months Ended December 31,	
	2004	2003	2004	2003	2004	2003
By Sales Channel						
Retail	\$ 145,321	\$ 95,905	\$ 97,826	\$ 58,526	\$ 47,495	\$ 37,379
Direct	27,120	23,178	22,446	19,673	4,674	3,505
Healthcare	12,869	11,260	3,231	2,869	9,638	8,391
Third Party	13,096	6,433	2,959	1,524	10,137	4,909
Total	\$ 198,40	\$ 136,776	\$ 126,462	\$ 82,592	\$ 71,944	\$ 54,184
By Segment						
Domestic	\$ 126,462	\$ 82,592				
International	71,944	54,184				
Total	\$ 198,406	\$ 136,776				

Summary of Product Sales

A summary of net sales by product is reported below:

(\$ in thousands)

	CONSOLIDATED Three Months Ended December 31,		DOMESTIC Three Months Ended December 31,		INTERNATIONAL Three Months Ended December 31,	
	2004	2003	2004	2003	2004	2003
Net Sales						
Mattresses	\$ 127,176	\$ 80,032	\$ 87,488	\$ 54,049	\$ 39,688	\$ 25,983
Pillows	37,762	31,495	17,487	13,633	20,275	17,862
Other	33,468	25,249	21,487	14,910	11,981	10,339
Total	\$ 198,406	\$ 136,776	\$ 126,462	\$ 82,592	\$ 71,944	\$ 54,184
Units Sold(1)						
Mattresses	154,908	105,208	90,072	58,507	64,836	46,701
Pillows	784,478	645,375	366,671	294,629	417,807	350,746

(1) Units sold represent net sales after consideration of returned mattresses and pillows and excludes units shipped to fulfill warranty claims and promotional activities.

SOURCE Tempur-Pedic International Inc.

-0- 01/27/2005

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Inc./

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