
**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) February 22, 2012

TEMPUR-PEDIC INTERNATIONAL INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-31922
(Commission
File Number)

33-1022198
(I.R.S. Employer
Identification No.)

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))
-
-

Item 7.01. Regulation FD Disclosure

On February 22, 2012, Tempur-Pedic International Inc. will host a webcast of its Investor Day. Attached as Exhibit 99.1 to this report and furnished under this Item 7.01 are copies of slides used by Tempur-Pedic International Inc. for the investor presentation at its Investor Day.

The information in this report (including Exhibit 99.1) shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed 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 9.01. Financial Statements and Exhibits

(d) Exhibits

<u>Exhibit</u>	<u>Description</u>
99.1	Tempur-Pedic International Inc. Investor Day Presentation

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: February 22, 2012

Tempur-Pedic International Inc.

By: /s/ DALE E WILLIAMS

Name: Dale E. Williams

Title: Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

Exhibit

Description

99.1

[Tempur-Pedic International Inc. Investor Day Presentation](#)



The most highly **recommended** bed in America.™

Mark Rupe
Vice President



Agenda

Welcome / Agenda

Mark Rupe

Overview & Growth Initiatives

Mark Sarvary

Financial Overview

Dale Williams

Q&A

Webcast participants may email questions to:
investor.relations@tempurpedic.com

February 22, 2012

Forward-Looking Statements

This presentation may contain “forward-looking statements,” within the meaning of federal securities laws, which include information concerning the Company’s plans, objectives, goals, strategies, future revenues or performance, financing needs and other information that is not historical information. When used in this presentation, 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, the Company’s expectations regarding improving the quality and range of existing products; increasing brand awareness and brand consideration; the impact of the introduction of new products, including the TEMPUR-Cloud® line and TEMPUR-Simplicity Collection; international and domestic growth opportunities; increasing market share; improving gross margin; expanding and improving distribution channels; manufacturing capacity and utilization; consumer preferences and behavior; the effectiveness of new cost structures; meeting financial obligations; cost and operating expense reductions and cash flow generation; and the Company’s enhanced earnings power 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 presentation. 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. These risk factors include general economic and industry conditions, particularly in the retail sector, as well as consumer confidence and availability of consumer financing; uncertainties arising from global events; the effects of changes in foreign exchange rates on the Company’s reported earnings; consumer acceptance of the Company’s products; industry competition; the efficiency and effectiveness of the Company’s advertising campaigns and other marketing programs; the Company’s ability to increase sales productivity and expand distribution channels; the Company’s dependence on its significant customers; the Company’s ability to address issues in certain underperforming international markets; the Company’s ability to continuously improve its product line, maintain efficient, timely and cost-effective production and delivery of its products, and manage its growth; the effects of strategic investments on the Company’s operations; changes in foreign tax rates; rising commodity costs; the Company’s ability to retain members of its senior management team; the effects of increased interest rates; the market price for the Company’s common stock prevailing from time to time; and the nature of other investment opportunities presented to the Company from time to time.

Additional information concerning these and other risks and uncertainties 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 “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 for any reason, including to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

Note Regarding Trademarks, Trade Names and Service Marks:

Tempur, Tempur-Pedic, The TEMPUR-Cloud Supreme, The TEMPUR-Cloud, The RhapsodyBed by Tempur-Pedic, The TEMPUR-CloudPillow, The TEMPUR-Cloud Luxe, TEMPUR Advanced Ergo System, The AlluraBed by Tempur-Pedic, The Sensation Mattress by Tempur, The NeckPillow by Tempur-Pedic, The SymphonyPillow by Tempur-Pedic, The ComfortPillow by Tempur-Pedic, The RhapsodyPillow by Tempur-Pedic, The TEMPUR-Contour Collection, The TEMPUR-Contour, The TEMPUR-Contour Signature, The TEMPUR-Contour Select, The TEMPUR-Simplicity Collection, and The TEMPUR-Traditional Pillow are trademarks, trade names or service marks of Tempur-Pedic International Inc. and its subsidiaries. All other trademarks, trade names and service marks in this presentation are the property of the respective owners.



Mark Sarvary
President & Chief Executive Officer



Key Topics

- ◆ Tempur-Pedic Overview
- ◆ Macro-Industry Update
- ◆ Tempur-Pedic Growth Strategies & Initiatives

Tempur-Pedic Overview



Company Thesis

- ◆ **Established:** Worldwide leader in non-spring mattresses and premium mattresses
 - Leader in the \$6B premium segment of the \$20B global mattress and pillow market

- ◆ **Differentiated:** Consumer preferred, branded product line
 - Most highly recommended brand by owners, most desired brand for non-owners
 - Industry-leading brand advertising, nearly \$1B over past decade

- ◆ **Innovative:** Uniquely consumer focused and marketed product
 - Systematic proven track record of delivering successful new products (Sensation, Cloud, Contour)
 - Simplicity and International Cloud/Original in 2012, and backlog of 2 years of new products

- ◆ **Profitable:** Industry-leading margins and cash flows

- ◆ **Growing:** Significant top line growth opportunity
 - 3% US mattress unit market share

Tempur Vision

People who sleep on Tempur sleep better than those who don't

Our goal is to become the world's favorite mattress and pillow brand

To achieve our goal we will:

1. Make sure everyone knows they would sleep better on Tempur
2. Make sure there is a Tempur mattress and pillow that appeals to everyone
3. Make sure that Tempur is available to everyone
4. Make sure Tempur continues to deliver the best sleep

Make sure our cost structure is optimized to enable marketing and product investments

In 2009, We Introduced Our 5-Year (2014) Goal

	2009 Investor Day	
	2009 Actual	2014 Goal
Sales	\$831M	\$2B
Gross Margin	47.4%	50.0%
Operating Margin	17.4%	25.0%

Note 1: Management estimates

Note 2: For a discussion of the Company's performance, please refer to the 2009 10K filing.



We Are Well On Our Way To Achieving The 2014 Goal

	2011 Actual	2014 Goal
Sales	\$1.4B	\$2B
Gross Margin	52.4%	50.0%
Operating Margin	24.0%	25.0%

Note 1: Management estimates

Note 2: For a discussion of the Company's performance, please refer to the 2011 10K filing.



2011 Performance

	<u>2011 Actual</u>	<u>Y/Y Chg</u>
Sales	\$1.4 B	+28%
Gross Margin	52.4%	+220 bps
Operating Margin	24.0%	+180 bps
EBITDA	\$391 M	+35%
Net Income	\$220 M	+40%
EPS	\$3.18	+47%

For a discussion of the Company's performance, please refer to the 2011 10K filing.



Tempur-Pedic Range Of Products



The
Sensation Mattress
by Tempur®



TEMPUR-Traditional™
Pillow



The
Advanced Ergo Adjustable Base
by Tempur-Pedic™



The **ComfortPillow**
by Tempur-Pedic®



The
TEMPUR-Cloud™ Supreme



The **CloudPillow**
by Tempur-Pedic®



The
TEMPUR-Contour™ Select



The **NeckPillow**
by Tempur-Pedic™

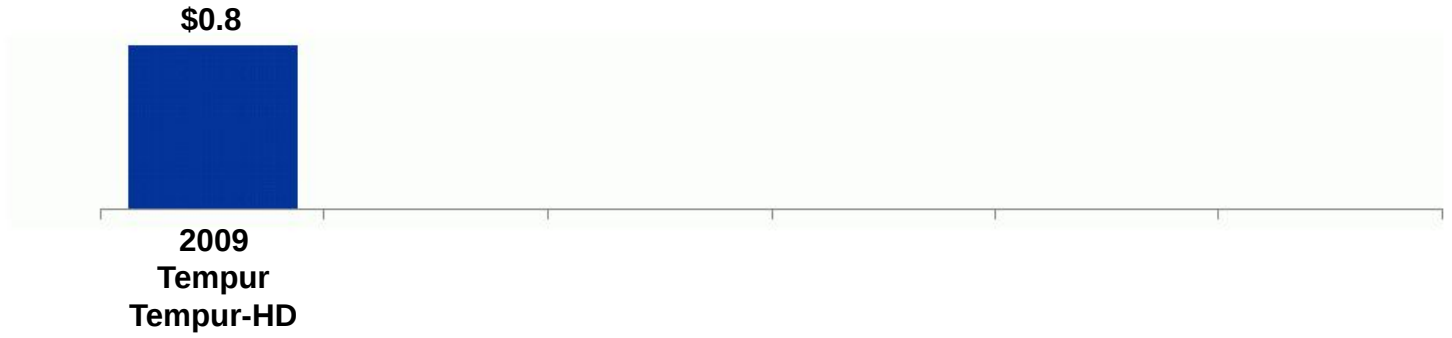


The
TEMPUR-Simplicity™ Medium

Tempur Products

(\$ in billions)

Sales

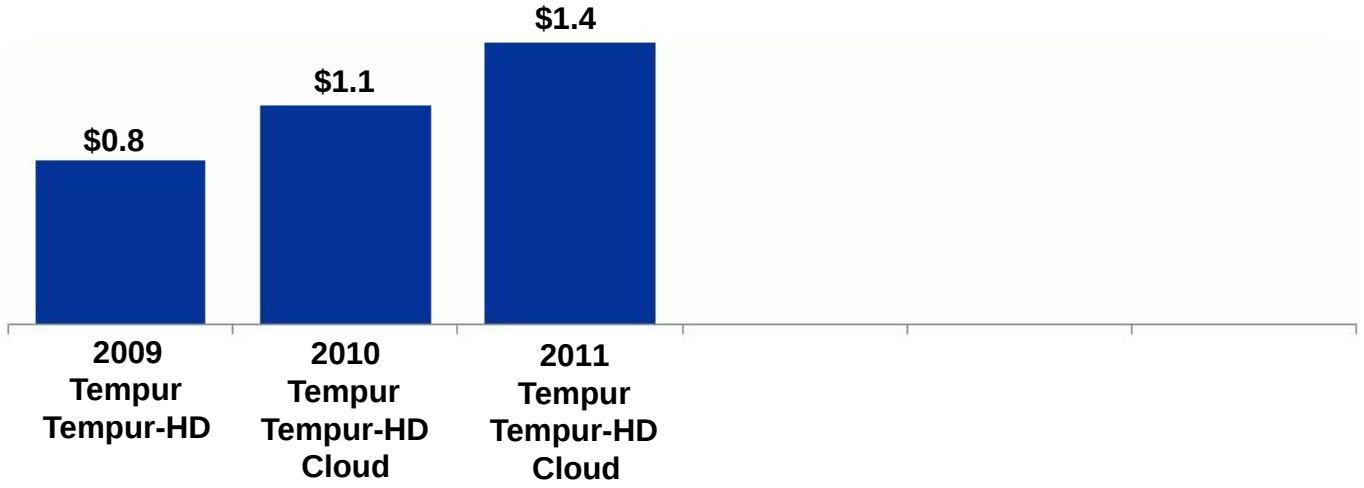


For a discussion of the Company's performance, please refer to the 2009 10K filing.

Tempur Products

(\$ in billions)

Sales

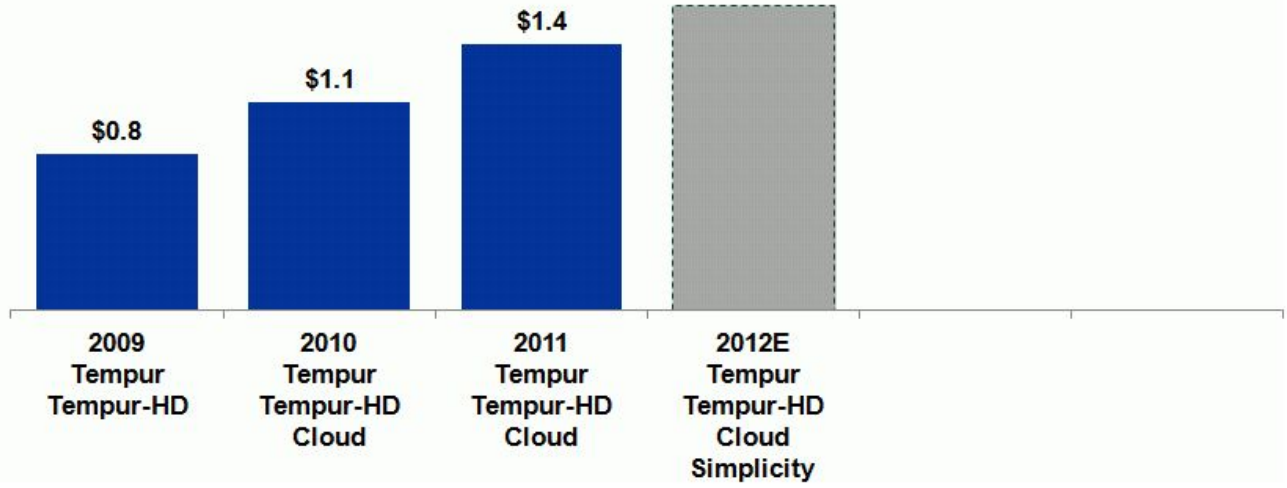


For a discussion of the Company's performance, please refer to the Company's 10K filings.

Tempur Products

(\$ in billions)

Sales



Note 1: Management estimates

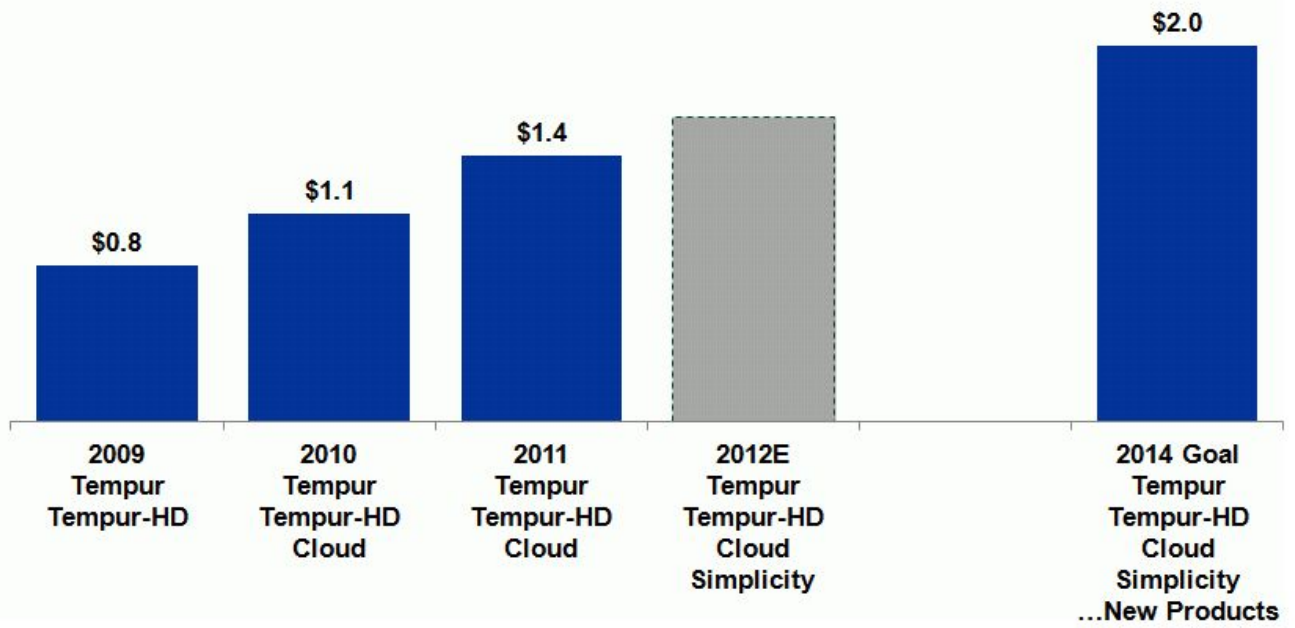
Note 2: For a discussion of the Company's performance, please refer to the Company's 10K filings.



Tempur Products

(\$ in billions)

Sales



Note 1: Management estimates

Note 2: For a discussion of the Company's performance, please refer to the Company's 10K filings.



Introducing Our New 5-Year Goal

2016 Goal

Sales \$3B

EPS \$8



The most highly **recommended** bed in America.™



Introducing Our New 5-Year Goal

2016 Goal

Sales \$3B

EPS \$8



The most highly **recommended** bed in ~~America:~~

the World.



Global Manufacturing Presence

Denmark (500K sq ft)



- ◆ > \$2.5B of sales capacity across three existing manufacturing facilities
- ◆ Capacity utilization approximately 50%
- ◆ Opportunity to expand New Mexico capacity with relatively low amount of capital deployment

Virginia (500K sq ft)

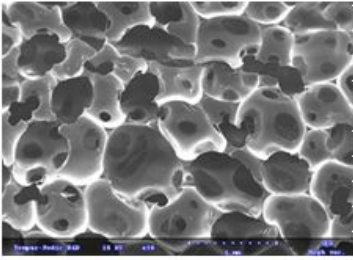


New Mexico (800K sq ft)



Management estimates

State-of-the-Art Research & Development



- ◆ Multi-faceted R&D facilities in Denmark and Virginia:
 - >50 Employees – PhDs, Advanced Degrees...
 - Chemistry and process research, development and testing
 - Commercialization and product development
 - Product testing



Strong, Established Management Team

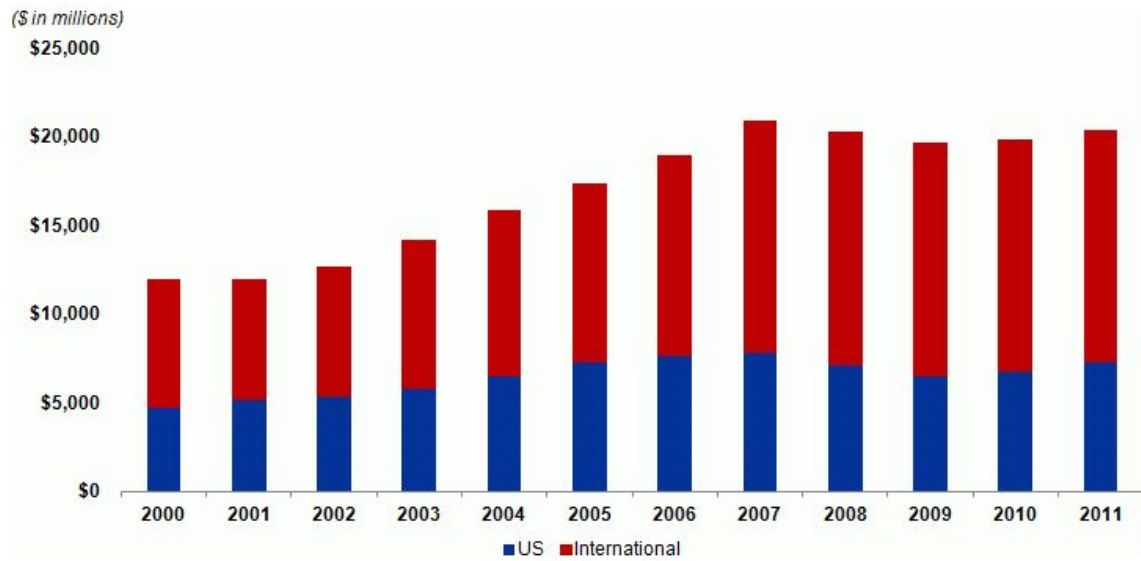
Name	Position	Prior Experience	Prior Experience		Years with Tempur
			Consumer Products	Inter'l	
Mark Sarvary	President and CEO	President, Campbell Soup North America CEO, J. Crew Group President, Stouffer's Frozen Food Division at Nestle	√	√	4
Rick Anderson	EVP and President, North America	VP, Gillette Gillette / P&G	√	√	6
Matt Clift	EVP, Global Operations	VP / GM Lexmark International Lexmark / IBM	√	√	7
Lou Jones	EVP and General Counsel	General Counsel, Papa John's International SVP, Blockbuster, Inc.	√	√	3
David Montgomery	EVP and President, International	President, Rubbermaid Europe VP, Black & Decker Europe, Middle East, Africa	√	√	9
Brad Patrick	EVP, Human Resources	SVP, Sara Lee Corporation Gillette / P&G Delta Air Lines	√	√	1
Dale Williams	EVP and CFO	CFO, Honeywell Control Products CFO, Saga Systems CFO, GE Information Systems	√	√	9

Macro-Industry Update

Global Bedding Industry is Large and Growing

Global Market Opportunity

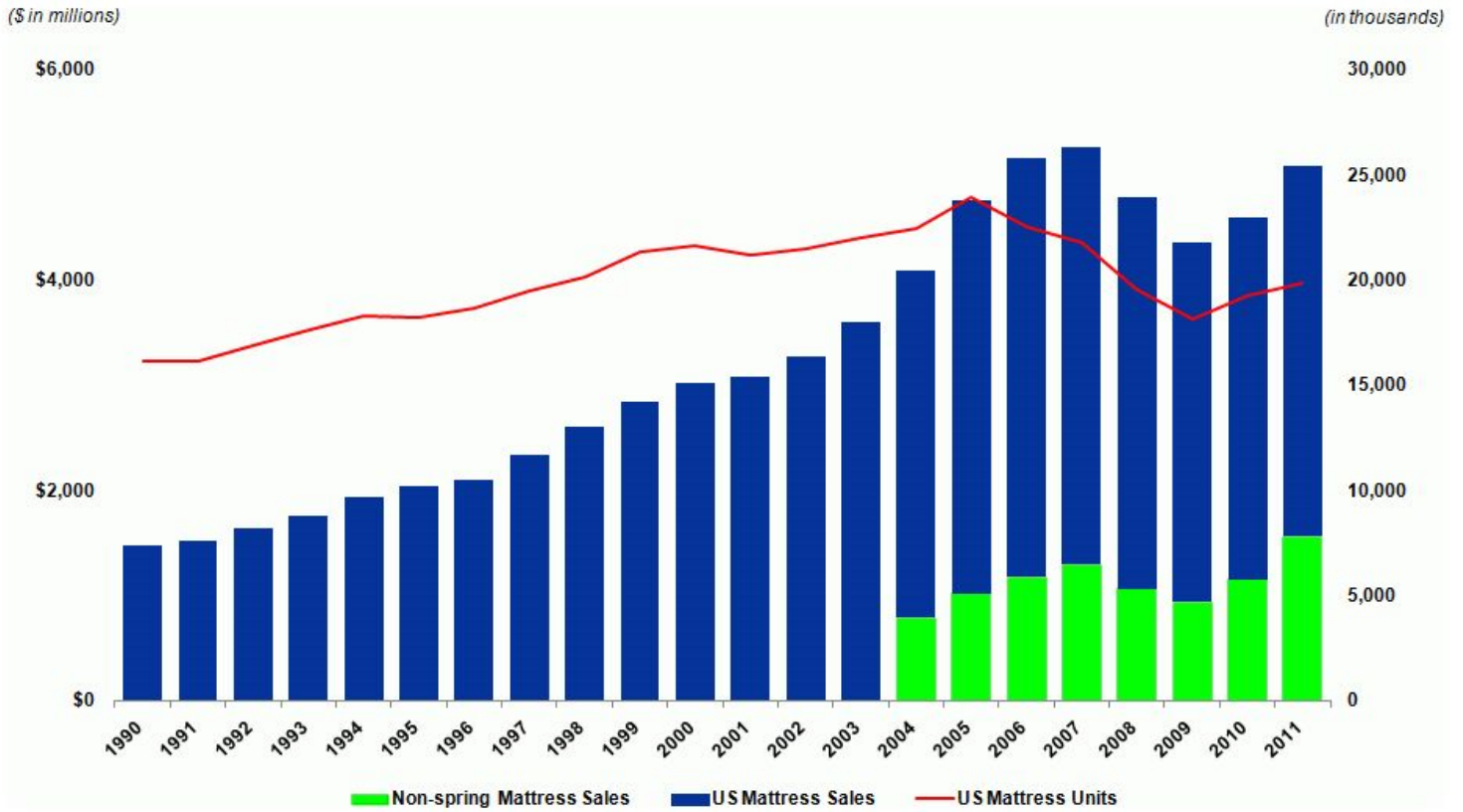
Mattresses, Foundations and Pillows



Note 1: Includes mattresses, foundations, and pillows
Note 2: Management estimates
Note 3: 2010 CSIL report



US Mattress Unit and Dollar Volume



Note 1: 2010 Annual ISPA Report of Sales and Trends
 Note 2: Non-spring data not available prior to 2004
 Note 3: Management estimates



Tempur-Pedic Growth Strategies & Initiatives

Tempur Vision

People who sleep on Tempur sleep better than those who don't

Our goal is to become the world's favorite mattress and pillow brand

To achieve our goal we will:

1. Make sure everyone knows they would sleep better on Tempur
2. Make sure there is a Tempur mattress and pillow that appeals to everyone
3. Make sure that Tempur is available to everyone
4. Make sure Tempur continues to deliver the best sleep

Make sure our cost structure is optimized to enable marketing and product investments

Growth Strategy – Overview

- ◆ Introduce New Products to Increase Addressable Market

- ◆ Tempur Brand Advertising
 - ◆ Global investment in advertising
 - ◆ “Heavy up” local market advertising
 - ◆ Dealer integrated advertising

- ◆ Increase Retail Advocacy

- ◆ Global Distribution

New Products



TEMPUR-Cloud™

- ◆ Tempur-Cloud has been a major success in North America and Internationally
 - ◆ Introduced in North America in November 2009
 - ◆ Introduced in International markets beginning in March 2011



TEMPUR-Contour™

- ◆ Tempur-Contour was a comprehensive line upgrade of the original Tempur offering
 - ◆ Introduced in North America in June 2011
 - ◆ Gained incremental distribution and exceeded expectations

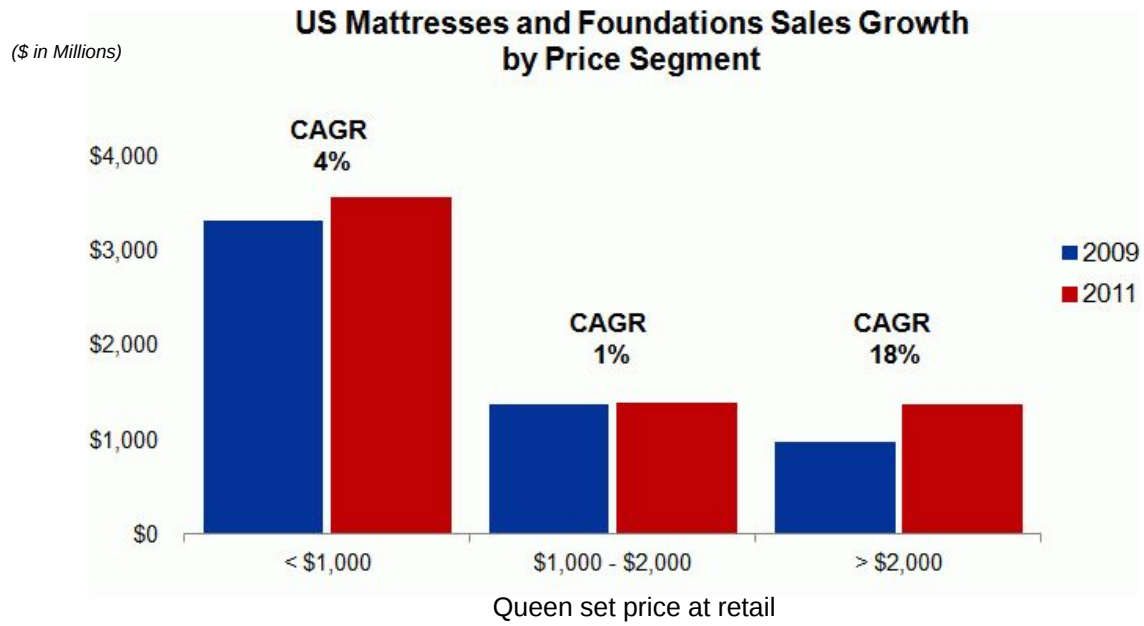


Many Others As Well....

- ◆ Sensation
- ◆ Traditional pillow
- ◆ Opening price point Ergo Adjustable
- ◆ Slippers



2012 Major Initiative: "Fixing the "Barbell"



Source: Management estimates based on ISPA and Traqline



· TEMPUR-
simplicity™
COLLECTION

TEMPUR- simplicity™ COLLECTION

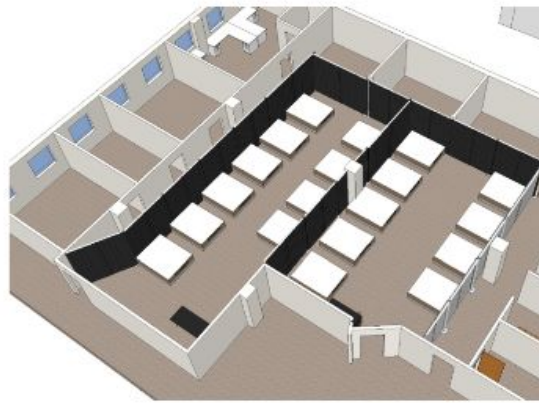


TEMPUR-Simplicity™
Firm
\$1,499 Queen Set

TEMPUR-Simplicity™
Medium
\$1,499 Queen Set

TEMPUR-Simplicity™
Soft
\$1,499 Queen Set

Continuing the Revolution in Consumer Research



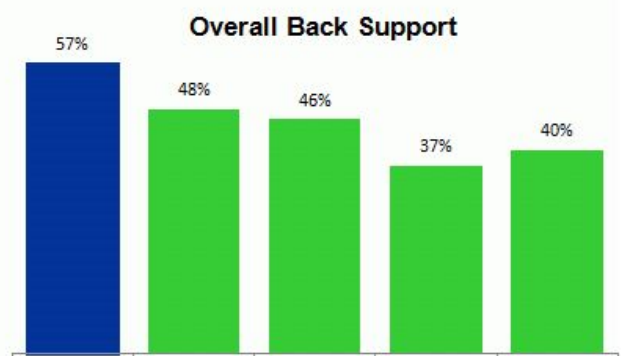
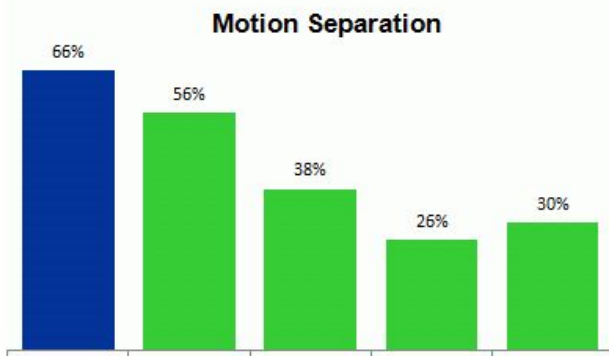
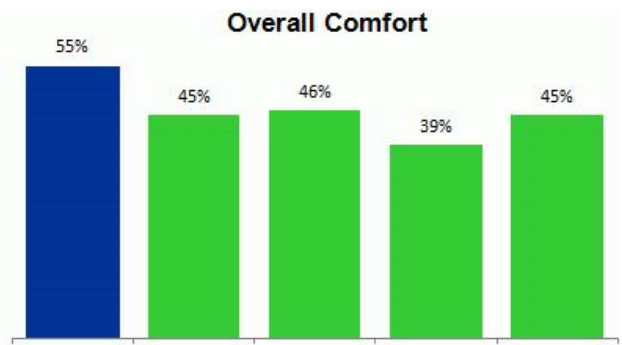
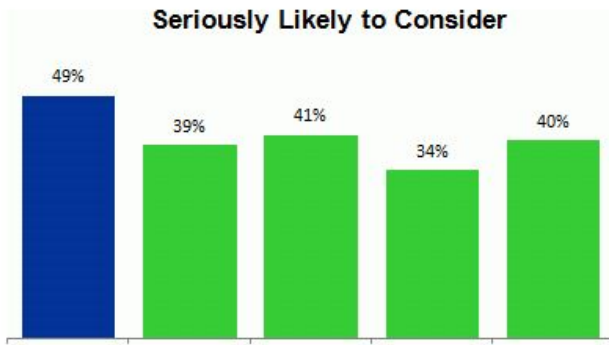
15 months of
consumer
research and
development

2,500 total
consumers

12 rounds of
consumer testing
on three models
for three feels

14,000+ prototype
evaluations

TEMPUR-Simplicity™ Consumer Testing Results



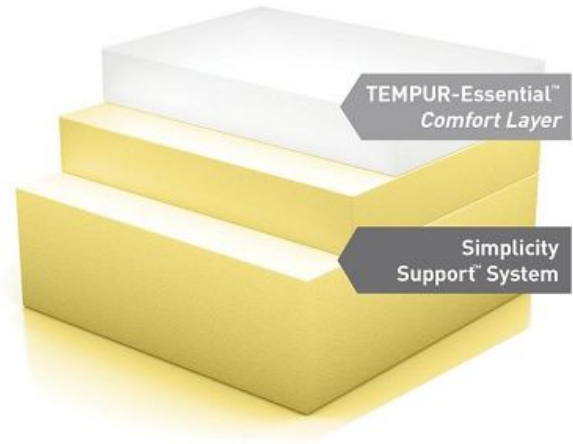
■ TEMPUR-Simplicity Collection ■ Competitor 1 ■ Competitor 2 ■ Competitor 3 ■ Competitor 4

Source: Third Party Research, 2011



New Proprietary Tempur-Pedic Technology

- ◆ New TEMPUR® formulations
- ◆ Firm, medium and soft options for every sleep preference
- ◆ Absorbs motion so partner movement is less likely to disturb sleep
- ◆ 10-year full warranty



Growing Appeal

FIRM	MEDIUM	SOFT
 <p>TEMPUR-Contour Signature \$2,999</p>	 <p>The GrandBed by Tempur-Pedic \$7,999</p>	 <p>TEMPUR-Cloud Luxe \$3,999</p>
 <p>TEMPUR-Contour Select \$2,499</p>	 <p>The AlluraBed by Tempur-Pedic \$4,599</p>	 <p>TEMPUR-Cloud Supreme \$2,999</p>
 <p>TEMPUR-Contour \$1,999</p>	 <p>The RhapsodyBed by Tempur-Pedic \$3,499</p>	 <p>TEMPUR-Cloud \$1,999</p>
 <p>TEMPUR-Simplicity™ Firm \$1,499</p>	 <p>TEMPUR-Simplicity™ Medium \$1,499</p>	 <p>TEMPUR-Simplicity™ Soft \$1,499</p>

Prices effective 4/3/12. Queen size sets featured.

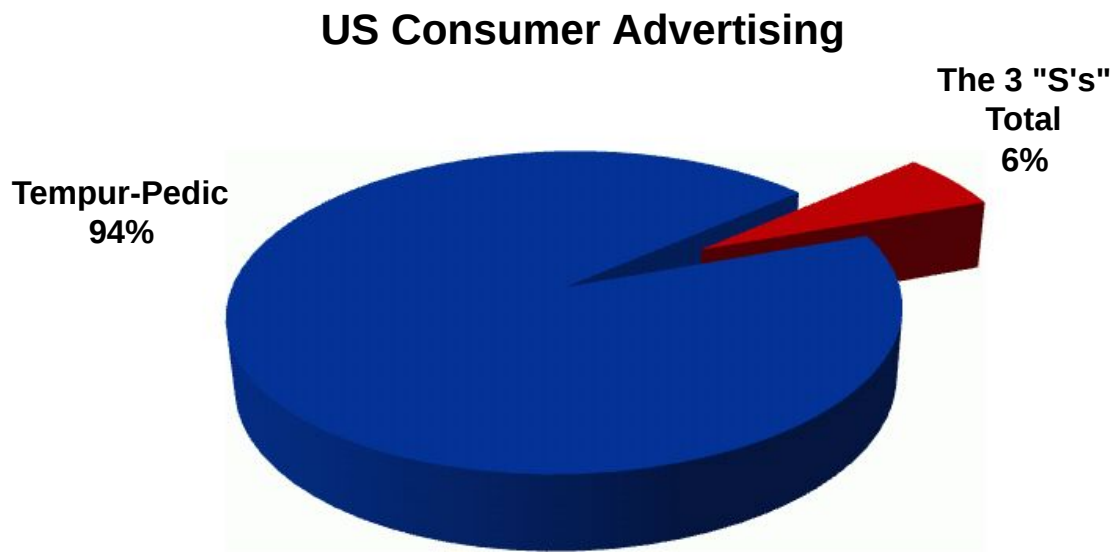
Growing Appeal

- ◆ More new products to come...



Brand Advertising

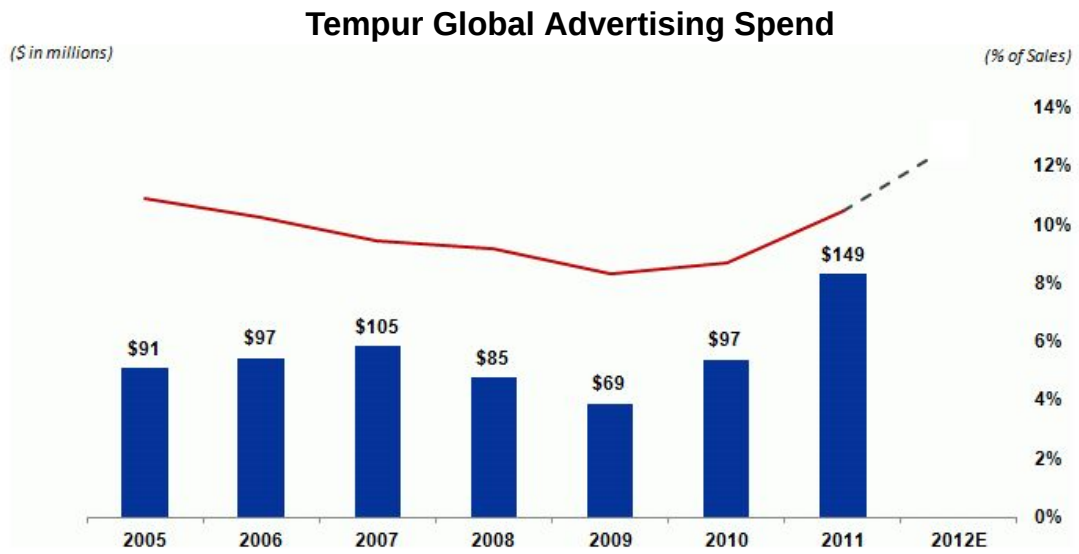
Tempur Relative Ad Spend



Note 1: Based on Kantar Media, 2011 (through October 2011) based on rate card value not negotiated rates; digital spending and co-op spending not included.
Note 2: Management estimates

Accelerating Ad Spend in 2012

- ◆ Cumulative ad spend of nearly \$1B over past decade

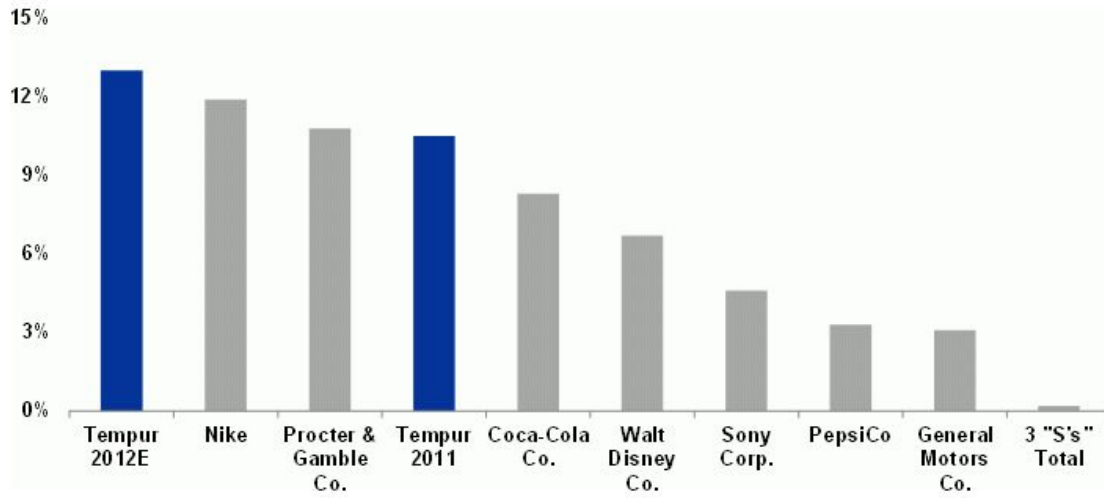


Note 1: For a discussion of the Company's performance, please refer to the Company's 10K filings.
Note 2: Management estimates



Investing to Build an Iconic Brand

Ad Spend Ratio



Note 1: Based on 2010 Ad Age Top 50 U.S. Ad Spend
Note 2: For a discussion of the Company's performance, please refer to the 2011 10K filing.
Note 3: Management estimates



ask me™

Ask Me Brand Campaign



Heavy Up Media – Test Market Results

- ◆ Heavy up advertising - tested over 2 years
- ◆ Yielded almost double the growth
- ◆ Will expand in 2012
- ◆ Prime time network heavy up

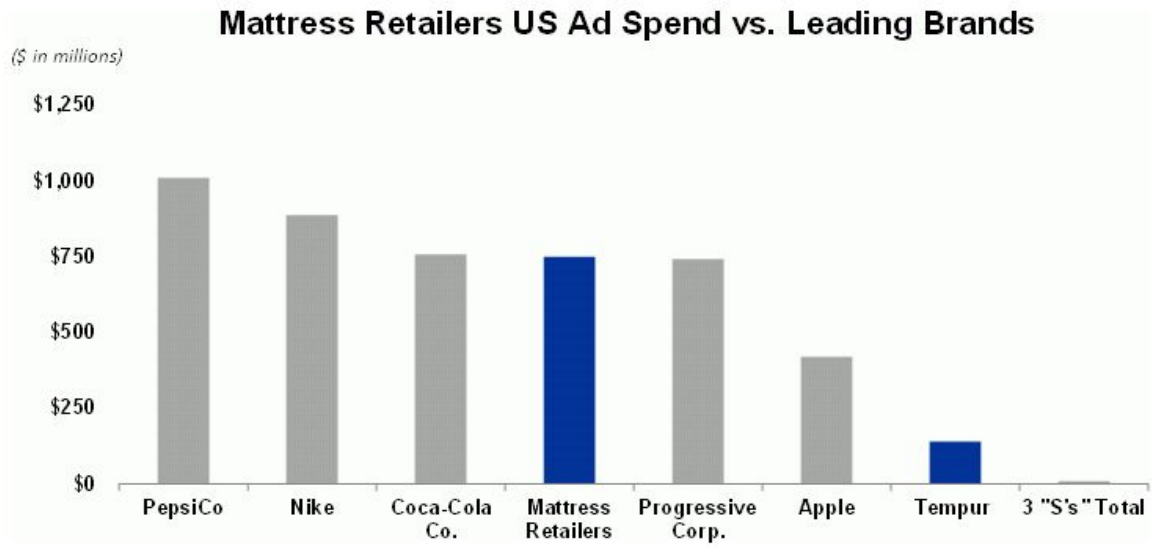
Media Highlights – February 2012

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday
6 	7 	8 	9 	10 	11 	12
13 	14 	15 	16 	17 	18 	19

Management estimates

Retailer Advertising

Advertising Spend by Retailers



Note 1: Based on 2010 Ad Age Top 50 U.S. Ad Spend
Note 2: Management estimates



Industry Campaigns

SPECIAL PURCHASE

Sealy Posturepedic Firm OR Simmons Beautyrest Plush
Queen Set for only **\$377**
FREE DELIVERY
for a limited time on any Mattress set over \$399

TEMPUR-PEDIC

All Models On Display



2 FREE
Tempur-Pedic
Pillows
with any Tempur-Pedic
mattress set purchase

<p style="text-align: center;">Sealy Posturepedic</p> <p style="text-align: center;">Queen Set \$299 Plush</p> <p style="font-size: small;">Twin Set \$198 Full Set \$279 King Set \$499</p> <p style="text-align: center; font-size: x-small;">Guaranteed Lowest Price!</p>	<p style="text-align: center;">Beautyrest</p> <p style="text-align: center;">Queen Set \$599 Firm</p> <p style="font-size: small;">Twin Set \$499 Full Set \$579 King Set \$899</p> <p style="text-align: center; font-size: x-small;">Guaranteed Lowest Price!</p>	<p style="text-align: center;">Beautyrest</p> <p style="text-align: center;">Queen Set \$799 Extra Firm</p> <p style="font-size: small;">Twin Set \$699 Full Set \$779 King Set \$1099</p> <p style="text-align: center; font-size: x-small;">Guaranteed Lowest Price!</p>	<p style="text-align: center; font-size: x-small;">SILVER & FORTER</p> <p style="text-align: center;">Queen Set \$1169 Choice of Firm or Plush</p> <p style="font-size: small;">Twin Set \$971 Full Set \$1124 King Set \$1619</p> <p style="text-align: center; font-size: x-small;">Guaranteed Lowest Price!</p>
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Industry Campaigns

NO Money Down. NO Interest.

Each Piece
We'll add to your King bed or 3 pieces.

Serta \$97

YEAR END CLEARANCE EVENT!

50-70% OFF

Save between \$200 & \$2000 dollars!
Save on mattress sets, headboards and pillows.

APPLE VALLEY
on an adjustable base.
Prices starting at
\$999
Compare at \$2499

Serta SAVE \$500! \$497
Compare at \$999 Queen Set

50-70% OFF
on select mattress sets, floor models, clearance models and headboards.
Limited time. Limited quantity.


Huge Savings on a Serta Luxury mattress.
\$1094
Compare at \$2999 Queen Set
SAVE \$1900!

TEMPUR-PEDIC

Tempur Introduces: Integrated Advertising Fund Program

- ◆ Retailer ad directly integrated with Tempur consumer communication
- ◆ Exclusively features Tempur and is consistent with guidelines
- ◆ Tempur contributes modestly to help fund integrated ad
- ◆ Tested in 2010 and 2011, expanded in 2012

Dealer Advocacy



Dealer Advocacy Programs

- ◆ Consumer Education
- ◆ Dealer Profitability
- ◆ Retail Associate Support

Direct Consumer Education

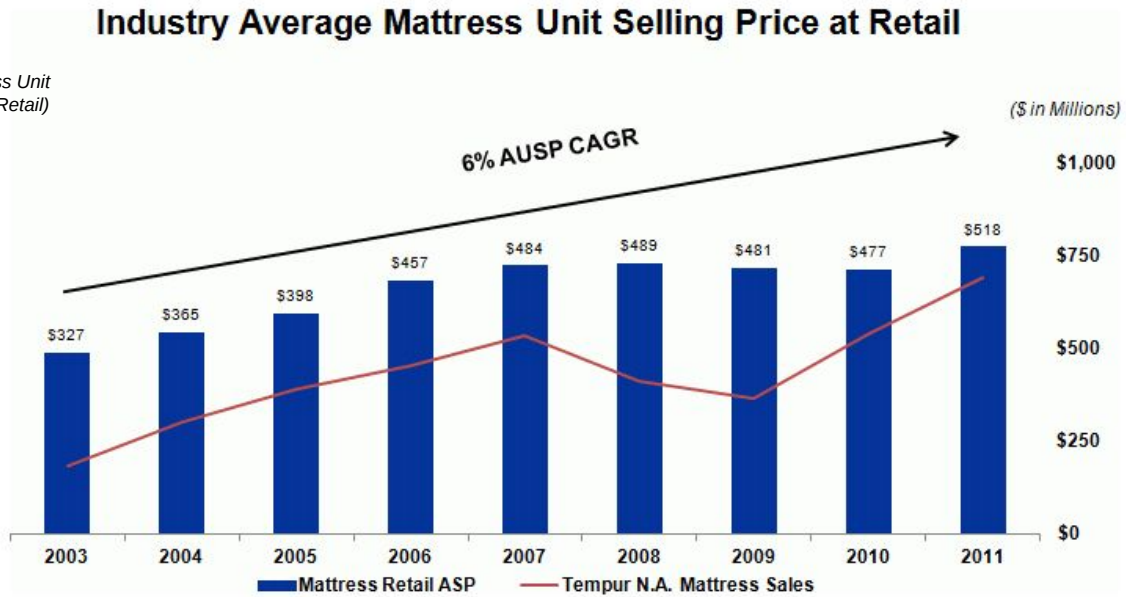
- ◆ 9 million US website visits – up 50% in 2011
- ◆ 5 million International website visits – up 58% in 2011

The screenshot shows the Tempur-Pedic website homepage. At the top left is the Tempur-Pedic logo. A navigation bar contains links for BECS, PILLOWS, BED LINENS, SLIPPERS, and HOME & TRAVEL. A search bar is located at the top right. The main content area features a large image of a man and a woman sitting on a bed. To the right of this image is a promotional banner for Ergo mattresses with the text 'SAVE UP TO \$200 ON ERGO' and 'Turn your bed into a relaxing retreat during the Ergo Savings Event'. Below this are two buttons: '> Shop Mattresses' and '> Discover Ergo Adjustable Bases'. A green banner below the main image contains the text 'BUY NOW AND TAKE UP TO 4 YEARS TO PAY' and '0% APR financing for 4 years'. To the right of this banner is another green banner that says 'SAVE ON DELIVERY & SETUP' and 'Free White Glove Delivery'. Below the green banners are three columns of content. The first column is titled 'SOFT SUPPORT FOR YOUR HEAD, NECK AND SHOULDERS.' and has a button '> Shop Pillows'. The second column is titled 'FIND YOUR MATTRESS' and contains two links: 'What makes our mattresses different?' and 'Which mattress is right for you?'. The third column is titled 'COMFY SLIPPERS FOR THE ENTIRE FAMILY.' and has a button '> Shop Slippers' next to an image of slippers.

Management estimates

Dealer Profitability - Industry A USP Growth

(Average Mattress Unit Selling Price at Retail)



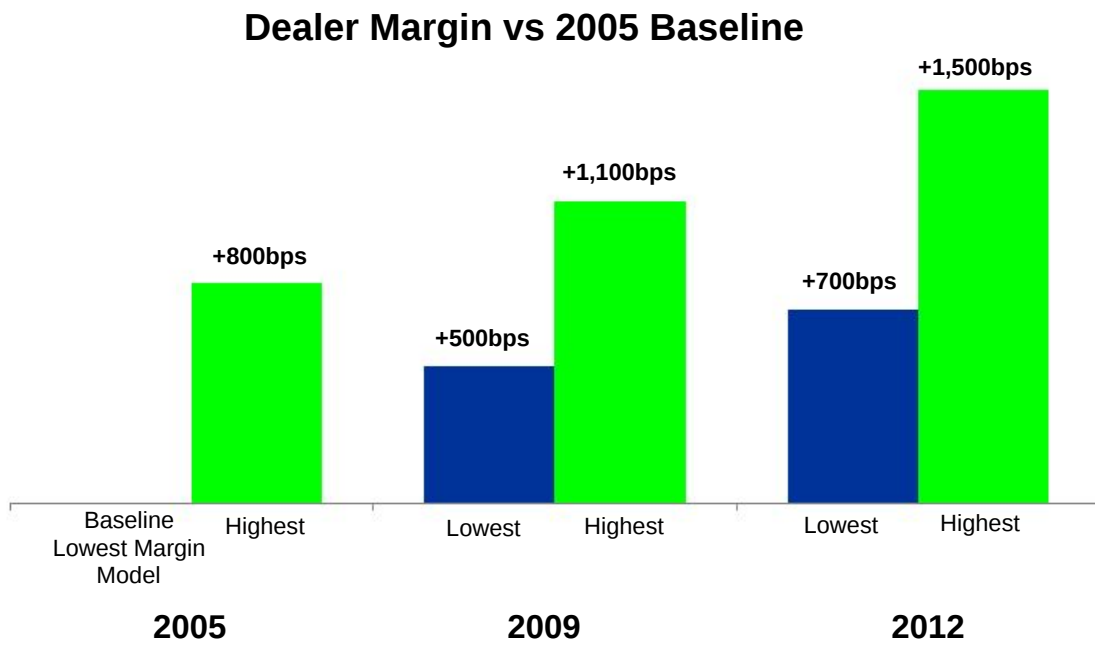
Note 1: For a discussion of the Company's performance, please refer to the Company's 10K filings.

Note 2: 2010 Annual ISPA Report of Sales and Trends

Note 3: Management estimates



Dealer Profitability - Dealer Margin Growth



Management estimates



Retail Salesforce Training & Support



- Doubled sales force since 2009
- Tempur Mobile
- Sophisticated systems

Tempur-Pedic® Elite Retailer

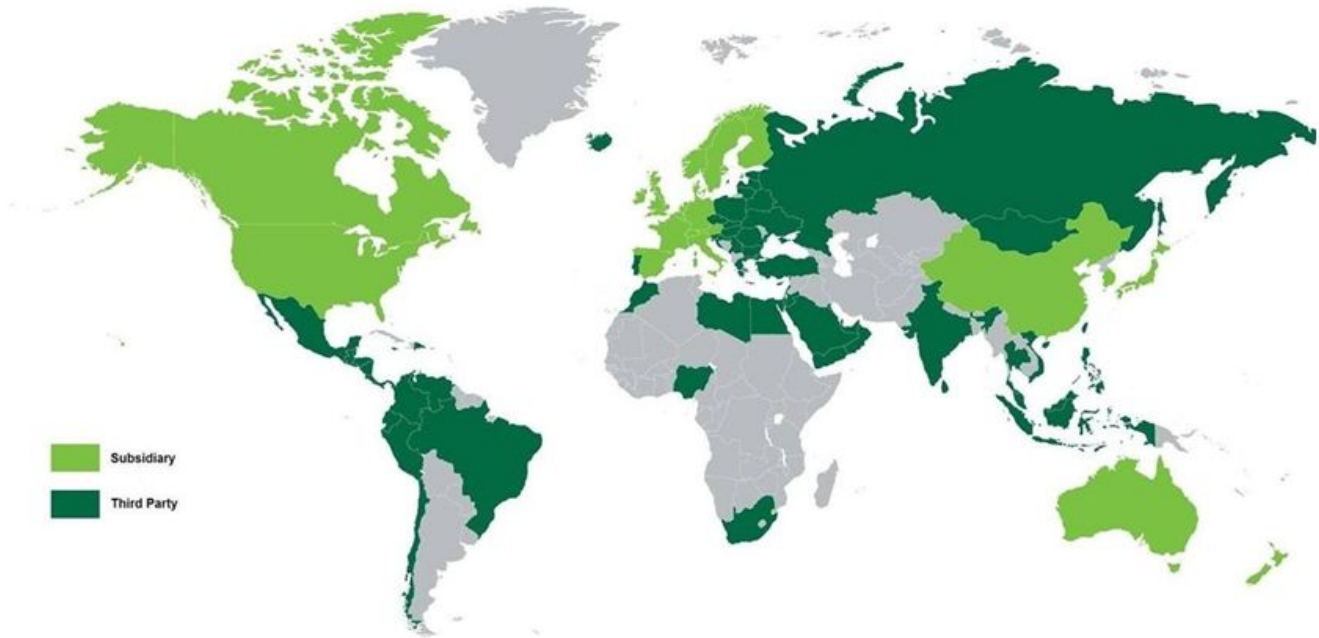
- ◆ Elite Retailer is a powerful program that identifies and differentiates premier dealers to consumers, and directs Tempur website visitors to shop with them



International

International

- ◆ International segment is 30% of sales and more profitable than North America
- ◆ Low share of \$13B international market
- ◆ Australia, Austria, New Zealand, China, South Korea, and Canada acquired since 2006



Note 1: For a discussion of the Company's performance, please refer to the Company's 10K filings.

International Collections

- ◆ Tempur Collection – offers retailers differentiated range
 - Very successful Sensation and Cloud introductions – gained incremental distribution

	Original Collection <i>Firmer feel</i>	Sensation Collection <i>Traditional feel</i>	Cloud Collection <i>Softer feel</i>
Basic	19, 21, 25	19, 21, 25	19, 21, 25
Deluxe	22, 27	22, 27	22, 27
Royal	25		
Supreme	30		



International Distribution

- ◆ Extensive distribution with significant opportunity for future growth
 - Increased slot presence within stores equally important – Sensation/Cloud
 - Company-owned flagships

Singapore



China



Holland



Japan



Norway

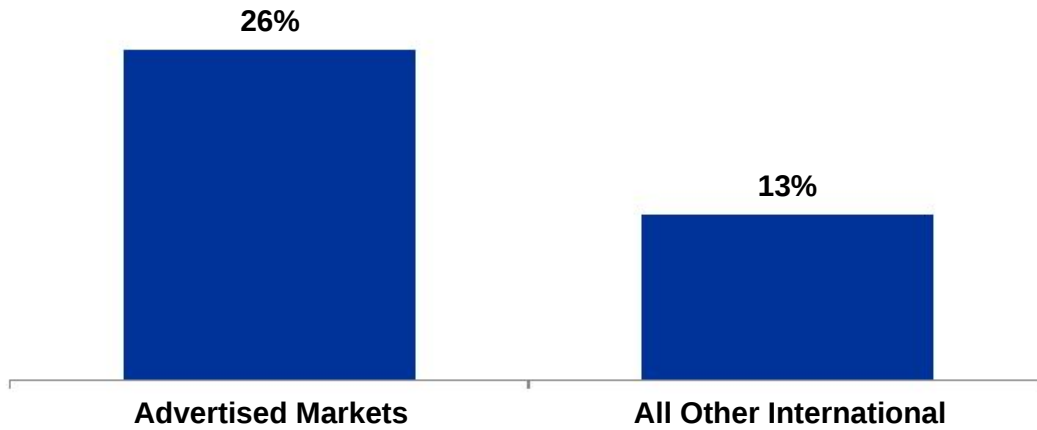


Note 1: For a discussion of the Company's performance, please refer to the Company's 10K filings.

International Advertising Markets

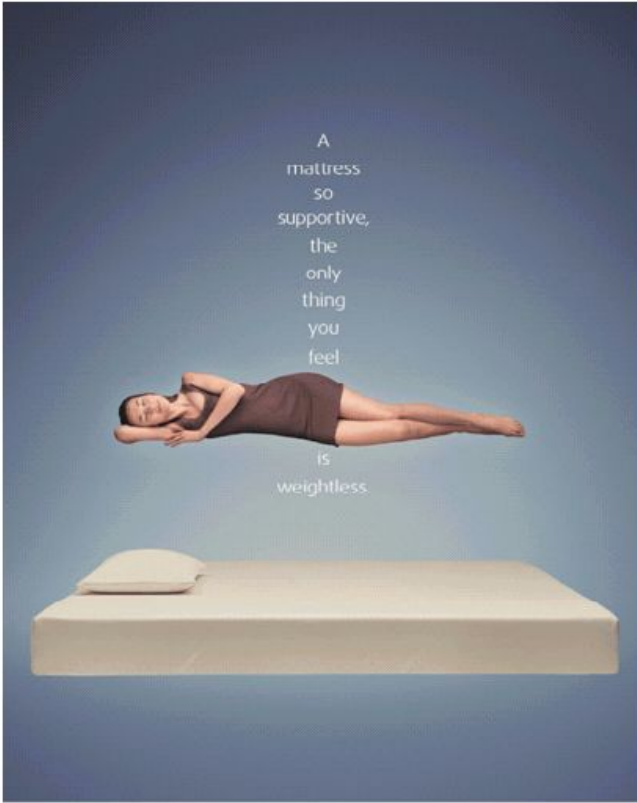
- ◆ Weightless campaign
- ◆ Limited but growing awareness – in strategic markets awareness increased meaningfully

2011 International Net Sales Growth



Note 1: For a discussion of the Company's performance, please refer to the Company's 10K filings.
Note 2: Management estimates

Weightless Brand Campaign



TEMPUR® mattresses are made of a unique material that conforms to the shape of your body, rather than the other way round. Soft where you want it and firm where you need it! A TEMPUR mattress will let your body find its most comfortable position and support it there, giving you a feeling of complete weightlessness and the best night's sleep possible. VISIT WWW.TEMPUR.COM



TEMPUR® mattresses are made of a unique material that conforms to the shape of your body, not the other way round. Soft where you want it and firm where you need it! A TEMPUR mattress lets your body find its most comfortable position and supports it there, giving you a feeling of complete weightlessness and the best night's sleep possible. VISIT WWW.TEMPUR.COM



Weightless Brand Campaign



Jetzt
genießt
jeder
das
angenehm
druckentlastende
Gefühl
der
Schwereelosigkeit.



TEMPUR® ist die Matratze, die sich nicht nur Ihrem Körper anpasst, sondern auch Ihrem Schlaftyp.
Wie auch immer Sie am liebsten schlafen – den Komfort und die Druckentlastung einer TEMPUR Matratze
können Sie in jedem Fall genießen. Sie gibt Ihnen ein Gefühl von völliger Schwerelosigkeit.
www.tempur.com

Summary

Summary

- ◆ **Established:** Industry leader of a \$20B growing global market
- ◆ **Differentiated:** Unique, preferred product with strong brand supported by ubiquitous advertising
- ◆ **Innovative:** Proven track record of introducing multi-\$100M new product lines
- ◆ **Profitable:** Industry-leading profitability, and clear path to improvement
- ◆ **Growing:** Well on track to achieve 5 year goal, now targeting \$3B, 2x current size, by 2016

Dale Williams
Executive Vice President & Chief Financial Officer

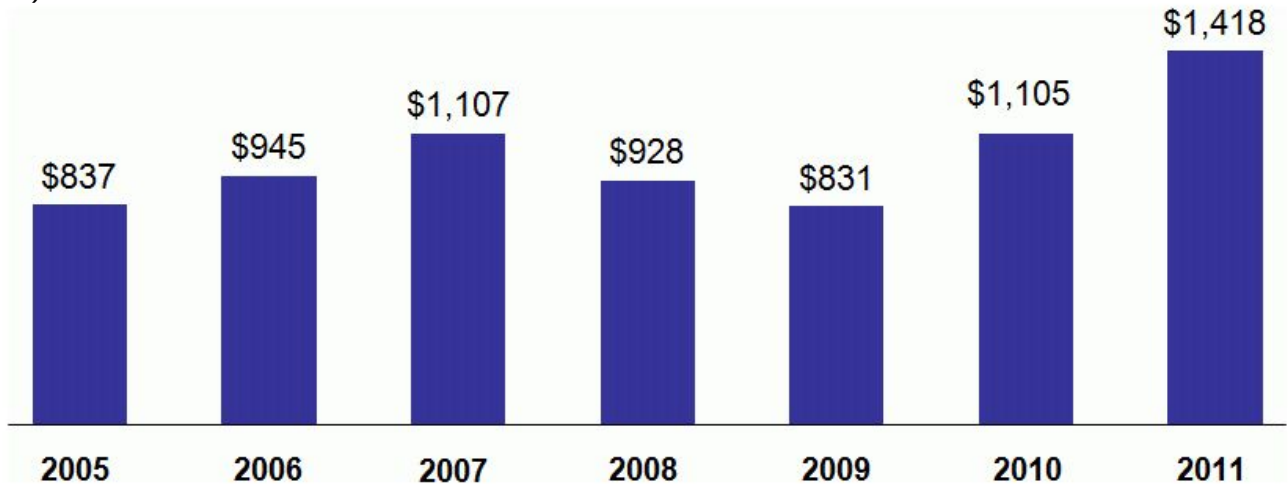


Financial Overview

Net Sales

- ◆ 2011 Net Sales increased 28%
 - ◆ +30% in North America
 - ◆ +24% Internationally, +16% constant currency basis

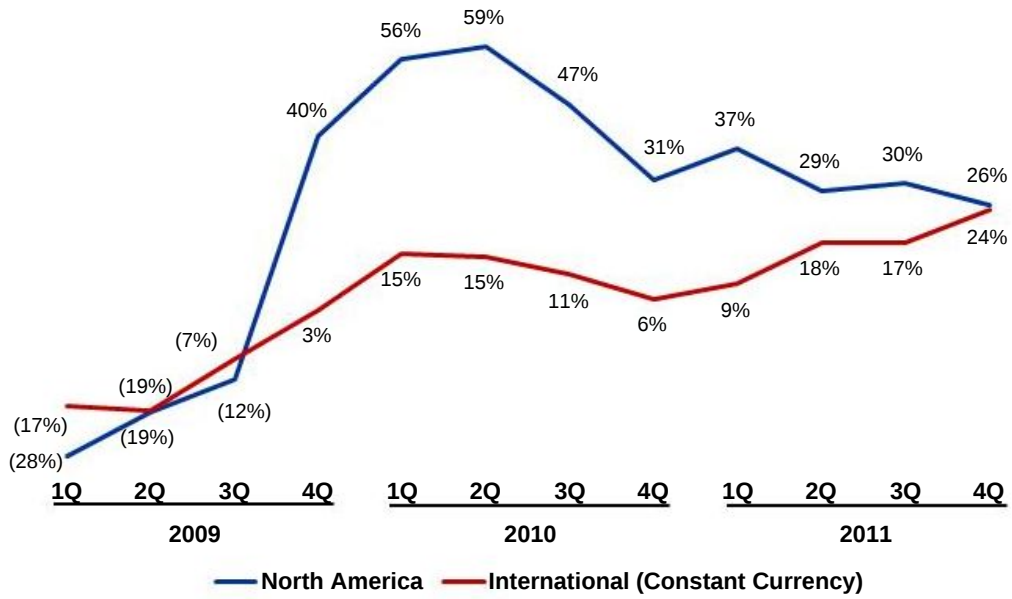
(\$ in millions)



For a discussion of the Company's performance, please refer to the Company's 10K filings.

Sales Growth Trajectory – Geographic Segments

Year on Year Growth/Decline



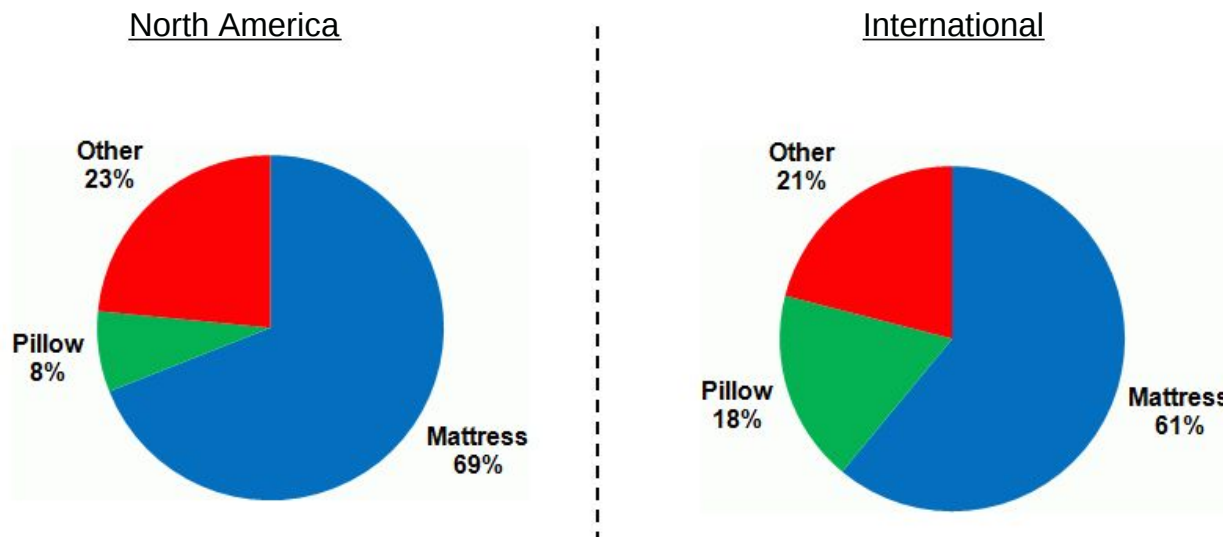
Note 1: International Sales Growth on Constant Currency basis.
 Note 2: For a discussion of the Company's performance, please refer to the Company's 10K and 10Q filings.



Mattresses Drive Global Business

- ◆ North America revenue up 30% in 2011, driven by Cloud and Contour collections and improved Ergo attach rates
- ◆ International revenue up 24% in 2011, driven by Cloud introduction and advertising

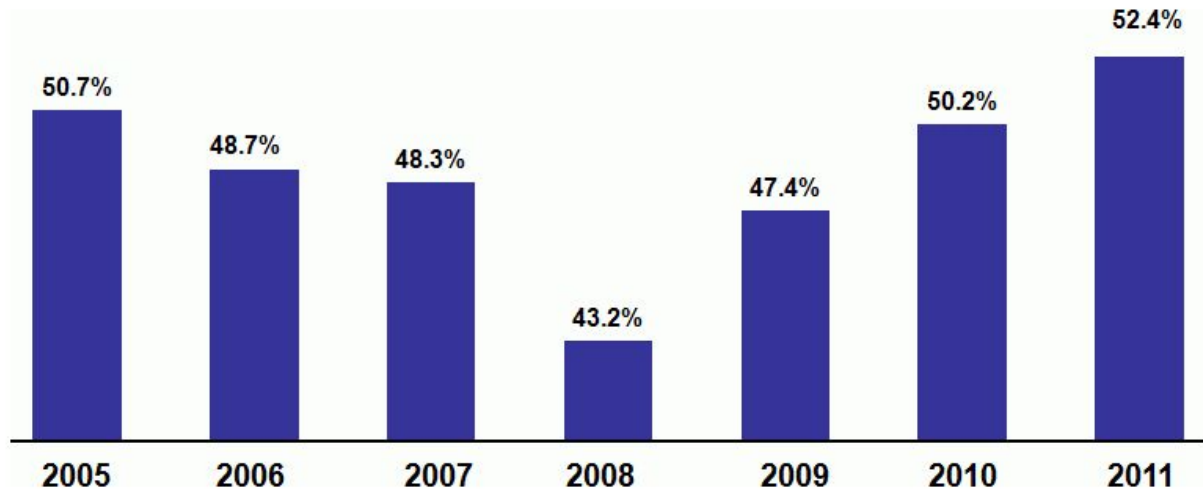
2011 Net Sales



For a discussion of the Company's performance, please refer to the Company's 2011 10K filing.

Gross Margin

- ◆ Considerable margin opportunity related to ongoing productivity program, engineering and volume leverage



For a discussion of the Company's performance, please refer to the Company's 10K filings.

Gross Margin Drivers

2009 - 2011 +500bps

- + Productivity program
- + Volume leverage
- + Price/mix
- Commodities
- Floor model discounts
- Geographic mix

2012 - Future

- + Productivity program
- + Volume leverage
- Price/mix
- Commodities
- ? Geographic mix

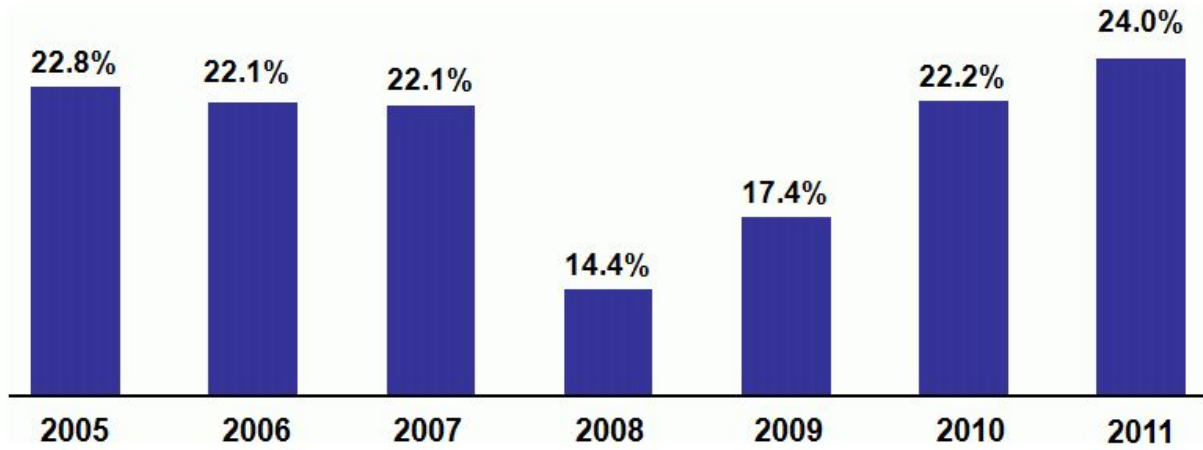
Significant Opportunity To Continue Cost Reduction

- ◆ Strong visibility in productivity program delivering 175 bps per year of cost reduction over the next 5 years

<u>Focus Area</u>	<u>Project Examples</u>	
Operational Excellence	Yield Productivity	LEAN / Six Sigma Direct Costing
Sourcing	Competition Co-Engineering	Supplier Managed Inventory Contract Terms
Engineering	Process Enhancements	Returns / Warranty Reduction
Supply Chain Strategy	Truckload Utilization Direct Ship Network Optimization	Demand Driven Supply Chain LEAN Supply Chain Home Delivery Efficiencies
New Product Development	Design for Manufacturability	Material / Process Development
Fixed Cost Leverage	Product Breadth	Appropriate Capital Investment

Operating Margin

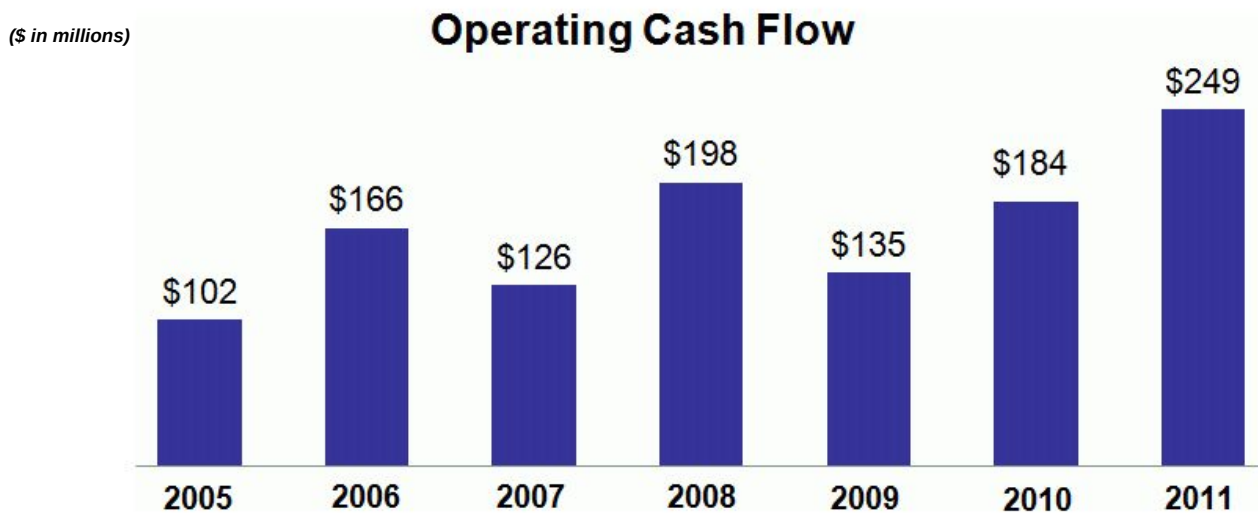
- ◆ Operating margin increased 180 bps in 2011, while expanding advertising investment to approximately 10.5% of sales (+175 bps)



For a discussion of the Company's performance, please refer to the Company's prior 10K filings.

Excellent Cash Flow Dynamics With Significant Growth Potential

- ◆ In 2011, we repurchased 6.5 million shares for \$368 million
- ◆ Repurchased \$1.2 billion since 2005



For a discussion of the Company's performance, please refer to the Company's 10K filings.

Depreciation & Amortization vs. Capital Expenditures

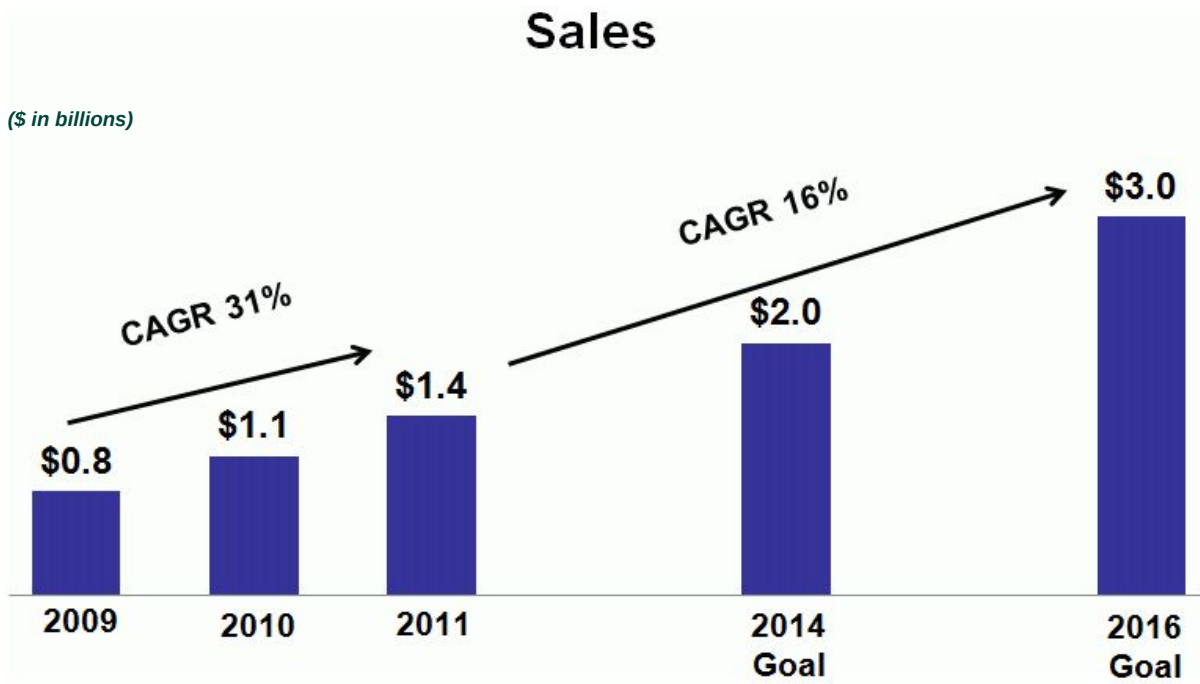
- ◆ Multi-year add back to net income as D&A should exceed Capex
- ◆ Capex in 2012 includes additional spending for strategic projects, IT systems, and new headquarters

(\$ in millions)



For a discussion of the Company's performance, please refer to the Company's 10K filings.

2016 Goal Implies Continued Solid Future Growth



Management estimates

Introducing Our New 5-Year Goal

2016 Goal

Sales	\$3B
EPS	\$8+



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