

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
Washington, D.C. 20549

**SCHEDULE 14A**

**Proxy Statement Pursuant to Section 14(a) of the  
Securities Exchange Act of 1934  
(Amendment No. )**

Filed by the Registrant   
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement  
 **Confidential, for Use of the Commission Only** (as permitted by Rule 14a-6(e)(2))  
 Definitive Proxy Statement  
 Definitive Additional Materials  
 Soliciting Material Pursuant to § 240.14a-12

**TEMPUR SEALY INTERNATIONAL, INC.**  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

- No fee required.  
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(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

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**Explanatory Note:**

An investor presentation titled “Executing on a Clear Strategy to Drive Superior Stockholder Value” will be made available/released on or after April 3, 2015.

# Tempur Sealy International, Inc.

## Stockholder Discussion Materials

New York, NY

April 6, 2015

Executing on a Clear Strategy to Drive  
Superior Stockholder Value

TEMPUR+SEALY



# Forward-Looking Statements

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This investor presentation contains "forward-looking statements," within the meaning of the federal securities laws, which include information concerning one or more of the Company's plans, objectives, goals, strategies and other information that is not historical information. When used in this presentation, the words "assumes," "estimates," "expects," "guidance," "anticipates," "projects," "plans," "proposed," "intends," "believes," and variations of such words or similar expressions are intended to identify forward-looking statements. These forward-looking statements include, without limitation, statements relating to the Company's expectations regarding its key strategic growth initiatives and strategic priorities, expectations regarding the Company's net sales, adjusted EBITDA, adjusted EPS, operating income, synergies, pricing increases for 2015 and related assumptions, market share gains, planned improvements in manufacturing and distribution, expectations regarding net sales growth rates, sales growth opportunities for Sealy in international markets, margin improvements, the impact of foreign exchange, the Company's leverage ratio and expectations regarding growth opportunities relating to acquisitions and returning value to stockholders. All forward looking statements 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.

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 in this investor presentation. These risk factors include risks associated with the Company's capital structure and increased debt level; the ability to successfully integrate Sealy into the Company's operations and realize cost and revenue synergies and other benefits from the transaction; whether the Company will realize the anticipated benefits from its asset dispositions in 2014 and the acquisition of brand rights in certain international markets in 2014; general economic, financial and industry conditions, particularly in the retail sector, as well as consumer confidence and the availability of consumer financing; changes in product and channel mix and the impact on the Company's gross margin; changes in interest rates; the impact of the macroeconomic environment in both the U.S. and internationally on the Company's business segments; uncertainties arising from global events; the effects of changes in foreign exchange rates on the Company's reported net sales and 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 within existing retail accounts and to further penetrate the Company's retail channel, including the timing of opening or expanding within large retail accounts and the timing and success of product launches; the effects of consolidation of retailers on revenues and costs; the Company's ability to expand brand awareness, distribution and new products; the Company's ability to continuously improve and expand 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 and changes in tax laws generally, including the ability to utilize tax loss carry forwards; the outcome of various pending tax audits or other tax, regulatory or litigation proceedings; changing commodity costs; and the effect of future legislative or regulatory changes.

Additional information concerning these and other risks and uncertainties are discussed in the Company's filings with the Securities and Exchange Commission (SEC), including without limitation, the Company's 2014 Annual Report on Form 10-K filed on February 13, 2015 with the SEC, 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.

Except where the context otherwise requires, the terms "we," "us" "our" or the "Company" refer to Tempur Sealy International, Inc. and its subsidiaries.

#### **Note Regarding Historical Financial Information:**

In this investor presentation we provide or refer to certain historical information for the Company. For a more detailed discussion of the Company's financial performance please refer to the Company's SEC filings.

#### **Note Regarding Trademarks, Trade Names and Service Marks:**

*TEMPUR, Tempur-Pedic, TEMPUR-Cloud, TEMPUR-Choice, TEMPUR-Weightless, TEMPUR-Contour, TEMPUR-Rhapsody, TEMPUR-Flex, GrandBed, TEMPUR-Simplicity, TEMPUR-Ergo, TEMPUR-UP, TEMPUR-Neck, TEMPUR-Symphony, TEMPUR-Comfort, TEMPUR-Traditional, TEMPUR-Home, Sealy, Sealy Posturepedic, Stearns & Foster and Optimum are trademarks, trade names or service marks of Tempur Sealy International, Inc. and/or its subsidiaries. All other trademarks, trade names and service marks in this presentation are the property of the respective owners.*

# Agenda

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- ◆ Tempur Sealy Today: Creating a Global Bedding Leader
- ◆ Key Strategic Actions to Drive Value
- ◆ Experienced Team With Proven Track Record
- ◆ Setting the Record Straight on H Partners
- ◆ Conclusion: Right Team in Place to Enhance Stockholder Value

# Executive Summary

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- ◆ Our Board and Management Team have been a critical part of our ability to **deliver solid results and drive stockholder value including a total shareholder return of 493% since Mr. Sarvary joined as CEO** <sup>(1)</sup>
- ◆ We have successfully completed the acquisition of Sealy Corporation creating **a global bedding leader with a complete and complementary portfolio of brands**
- ◆ We are focused on **driving strong margins and long term growth through reinvestment in the business** as evidenced by Tempur North America's return to a position of strength and profitability
- ◆ We are **leveraging our global scale** to execute our international growth plan by increasing distribution, brand awareness and product offerings
- ◆ **We believe H Partners has outlined no constructive steps to enhance the Company's strategy, capital structure or operating plans,** but rather advocates high-risk, value-destroying leadership changes

***VOTE THE WHITE PROXY CARD FOR TEMPUR SEALY'S  
EXPERIENCED AND HIGHLY QUALIFIED DIRECTORS:***

Evelyn S. Dilsaver, Frank Doyle, John A. Heil, Peter K. Hoffman, Sir Paul Judge, Nancy F. Koehn,  
Christopher A. Masto, P. Andrews McLane, Lawrence J. Rogers, Mark Sarvary and Robert B. Trussell, Jr.

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Note 1: Total shareholder return includes stock price appreciation and dividends reinvested. Represents performance from August 4, 2008 to March 27, 2015.

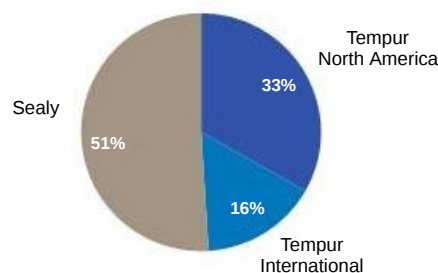
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## Tempur Sealy Today: Creating a Global Bedding Leader

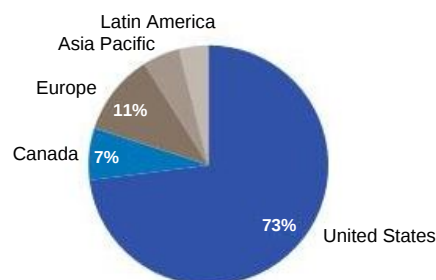
# Global Leader in the Bedding Manufacturing Industry

- ◆ **Leading manufacturer and distributor of bedding products with a truly global footprint**
  - Leading bedding provider in the U.S. with approximately 32% market share in 2014 <sup>(1)</sup> (Sealy ~19%, Tempur-Pedic ~13%); #1 market share in Canada <sup>(1)</sup>
  - Broad distribution in all traditional and alternative channels, including e-commerce
  - Strong positions in many international markets throughout Europe, Asia Pacific and Latin America
  - Complete and complementary product offering of mattresses, adjustable bases, foundations and other accessories such as pillows
  
- ◆ **Completed the transformative acquisition of Sealy in 2013, creating a complete and complementary portfolio of brands and products**
  - Attractive opportunity given the difficult economic and industry trends facing Sealy at the time of the acquisition
  - Funded with low-cost debt, preserving the ability to pursue strategic growth opportunities and reinvest in the combined Company
  - Organizational integration in North America has been successful and is now essentially complete
    - Increased cost synergy target from \$40 million to \$70 million <sup>(2)</sup>
    - Long-term revenue synergy target of \$500 million <sup>(2)</sup>
    - Re-launched entire Sealy product lineup within approximately 18 months of acquisition close
  
- ◆ **Strong financial profile**
  - FY2014 net sales of approximately \$3.0 billion and adjusted EBITDA of \$405 million <sup>(3)</sup>
  - \$3.4 billion market capitalization <sup>(4)</sup>
  - Net leverage of 3.9x<sup>(5)</sup>

2014 Sales by Segment



2014 Sales by Region



Note 1: Market share estimates for 2014 and market share leadership in Canada are based on management estimates.

Note 2: Cost and revenue synergy targets presented on a constant currency basis. For information on the methodology used to present information on a constant currency basis, please refer to "Constant Currency Information" at the end of this presentation.

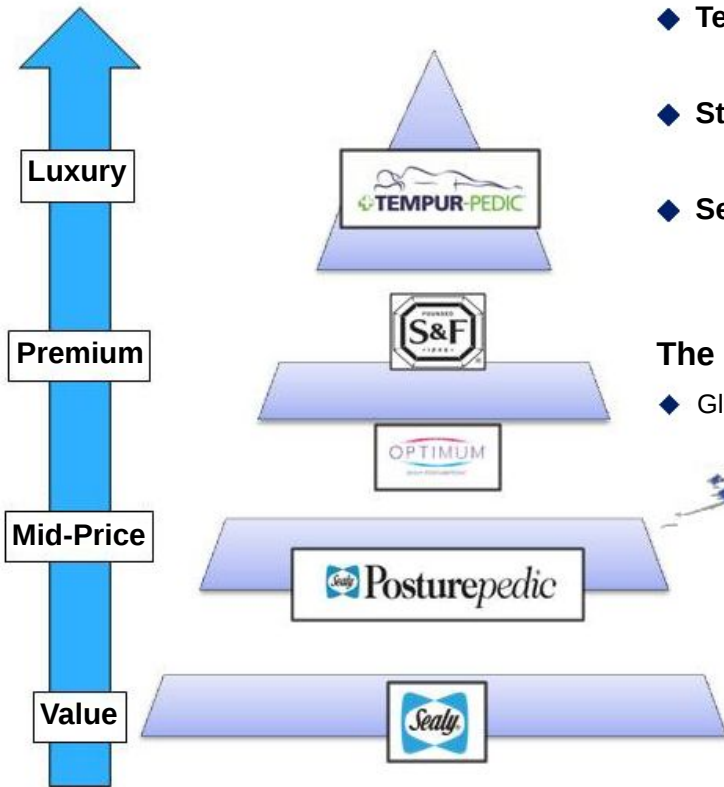
Note 3: Adjusted EBITDA is a non-GAAP financial measure. GAAP net income for 2014 was \$108.9 million. For more information about adjusted EBITDA, including a reconciliation to net income, please refer to "Use of Non-GAAP Financial Measures" at the end of this presentation.

Note 4: Based on basic shares outstanding. Calculated as of March 27, 2015.

Note 5: Net leverage refers to the ratio of Consolidated Funded Debt less Qualified Cash to Adjusted EBITDA, which are all non-GAAP financial measures calculated in accordance with the Company's senior secured credit facility. For more information about this leverage calculation and the related non-GAAP financial measures, please refer to "Use of Non-GAAP Financial Measures" at the end of this presentation.



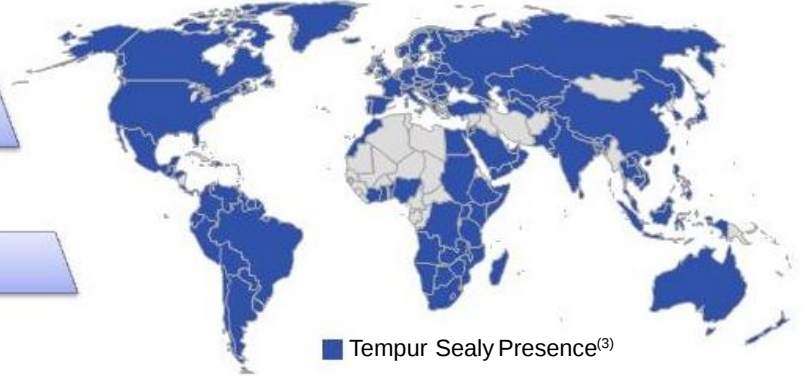
# Complete and Complementary Portfolio of Brands



- ◆ **Tempur-Pedic:**
  - #1 U.S. brand people are most interested in purchasing<sup>(1)</sup>
- ◆ **Stearns & Foster:**
  - #1 U.S. brand in luxury innerspring sales<sup>(2)</sup>
- ◆ **Sealy:**
  - #1 U.S. brand in total awareness<sup>(1)</sup>
  - #1 U.S. brand people are most likely to buy<sup>(1)</sup>

## The Industry's Only Truly Global Company

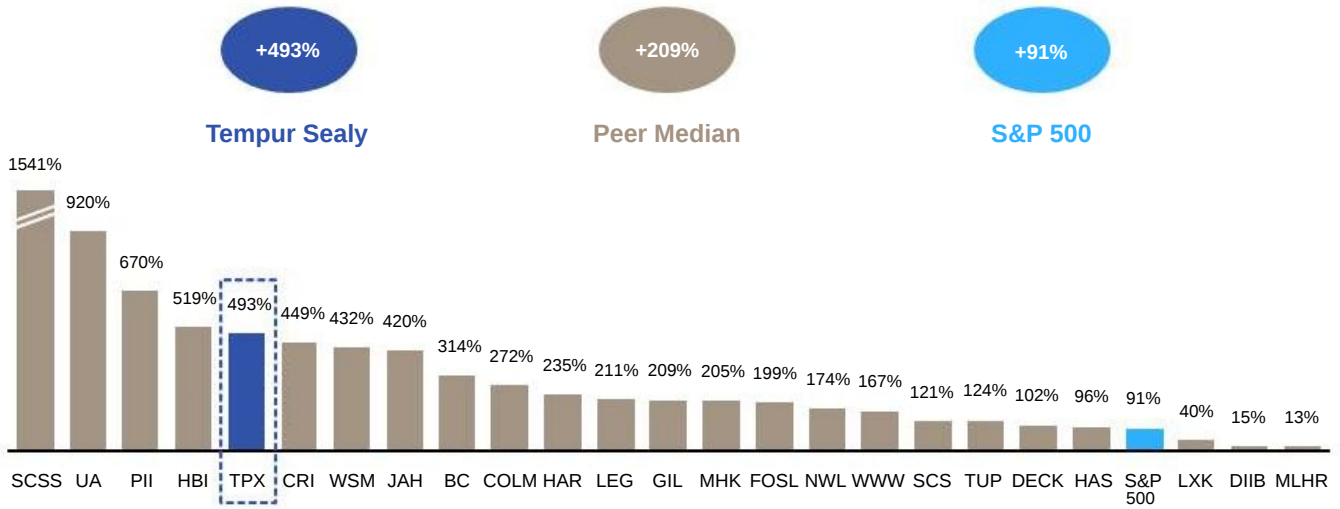
- ◆ Global scale creates critical competitive advantages



Note 1: 2014 Mattress Industry Consumer Research – U.S. Market.  
 Note 2: Based on management estimates.  
 Note 3: Presence includes subsidiaries, joint ventures, third party and licensee markets.

# Creating Significant Value for Stockholders

## Total Shareholder Return Under Mr. Sarvary's Leadership<sup>(1)</sup>



Furthermore, Tempur Sealy has created approximately \$1.8 billion of equity value since the announcement of the Sealy acquisition<sup>(2)</sup>

Note 1: Peer group as outlined in Tempur Sealy Form 10-K for the year ended December 31, 2014. Mattress Firm Holding Corp. is excluded because it was private at the time Mr. Sarvary joined as CEO on August 4, 2008; its IPO was completed on November 17, 2011. Total shareholder return includes stock price appreciation and dividends reinvested. Represents performance from August 4, 2008, the date Mr. Sarvary joined as CEO, to March 27, 2015.

Note 2: Represents performance from September 26, 2012, the date prior to the announcement of the Sealy acquisition, to March 27, 2015. Equity value calculated using basic shares outstanding.

- ◆ Grew Tempur North America net sales from \$525 million in 2009 to \$1.0 billion in 2014, a 14% CAGR<sup>(1)</sup>
  - Increased U.S. market share from 8% in 2009 to an estimated 13% in 2014<sup>(2)</sup>
  - Introduced the highly successful TEMPUR-Cloud line, which nearly doubled the Company's U.S. mattress business
  - Acquired Third Party Distributor in Canada
- ◆ Grew Tempur International net sales from \$306 million in 2009 to \$472 million in 2014, a 9% CAGR<sup>(1)</sup>
  - Increased distribution and brand awareness and expanded product offering significantly since 2009
  - Positioned the Company for future growth through acquisitions of Third Party Distributors in several key markets, including China, Korea, Brazil and Mexico
- ◆ Responded aggressively when the competitive environment in North America changed in 2012
  - Completely revamped Tempur North America mattress and adjustable base product offering
  - Strengthened U.S. retailer economics
- ◆ Strategic acquisition of Sealy Corporation created significant stockholder value
  - TPX shares have appreciated over 110% from the day prior to the acquisition announcement<sup>(3)</sup>
  - Today, Tempur Sealy has a complete and complementary brand and product portfolio, with unique global capabilities and unmatched growth opportunities around the world
- ◆ Enhanced stockholder value through the repurchase of ~20 million shares between 2009 and 2012
- ◆ EPS of \$1.12 in 2009<sup>(4)</sup> grew to adjusted EPS of \$2.65 in 2014, a 19% CAGR<sup>(5)</sup>

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Note 1: References to "Tempur North America" in this presentation refer to the segment used in 2014 for the Tempur-Pedic business in North America and references to "Tempur International" in this presentation refer to the segment used in 2014 for the Tempur-Pedic business outside of North America.

Note 2: U.S. market share is based on management estimates.

Note 3: Represents performance from September 26, 2012, the date prior to the announcement of the Sealy acquisition, to March 27, 2015. Includes stock price appreciation only.

Note 4: 2009 EPS of \$1.12 had no adjustments of the type included in adjusted EPS.

Note 5: GAAP EPS for 2014 was \$1.75. adjusted EPS, which is a non-GAAP financial measure, is EPS adjusted for Sealy transaction and integration costs, loss on disposal of business related to the disposition of the three U.S. innerspring component facilities and related equipment, interest and fees incurred in connection with debt refinancings and amendments, normalized tax rate adjustments and to exclude certain non-recurring items. Please refer to the reconciliations under "Use of Non-GAAP Financial Measures" at the end of this presentation and the Company's SEC filings for more information regarding the definition of adjusted EPS.

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## ◆ **Product Development:**

- Launch execution
- Global innovation pipeline

## ◆ **Brand Marketing:**

- New talent and enhanced capabilities, strong media campaign
- Strong creative development and media buying

## ◆ **Channel:**

- Combined field selling organization
- Category management

## ◆ **Operations:**

- Began the combination of our Tempur-Pedic and Sealy logistics networks
- Started the transformation of Sealy manufacturing organization

# 2014 Product Launches

## Strategic Actions

- ◆ Record number of launches
  - All delivered on time with high quality
  - Supporting materials on time
  - Transitions from old to new were well managed
- ◆ Contained compelling consumer benefits
  - Supported with rigorous market research
  - Offered strong value propositions
  - Delivered benefits aligned with the brand promises

## Results

- ◆ TEMPUR-Cloud/Contour launch was largest ever and very effective
- ◆ Stearns & Foster launch delivered all-time sales record
- ◆ Sealy Innerspring launch returned brand to double-digit growth
- ◆ Sealy Optimum 2.0 line revitalized



*Demonstrated capability to develop and execute major product launches that drive market share*

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## Key Strategic Actions to Drive Value

# Tempur Sealy Strategic Priorities

**Leverage and strengthen our comprehensive portfolio of iconic brands & products**

**Expand distribution and seek highest dealer advocacy**

**Expand margins with focus on driving significant cost improvement**

**Leverage global scale for competitive advantage**

**Accretive acquisitions of licensees and joint ventures**

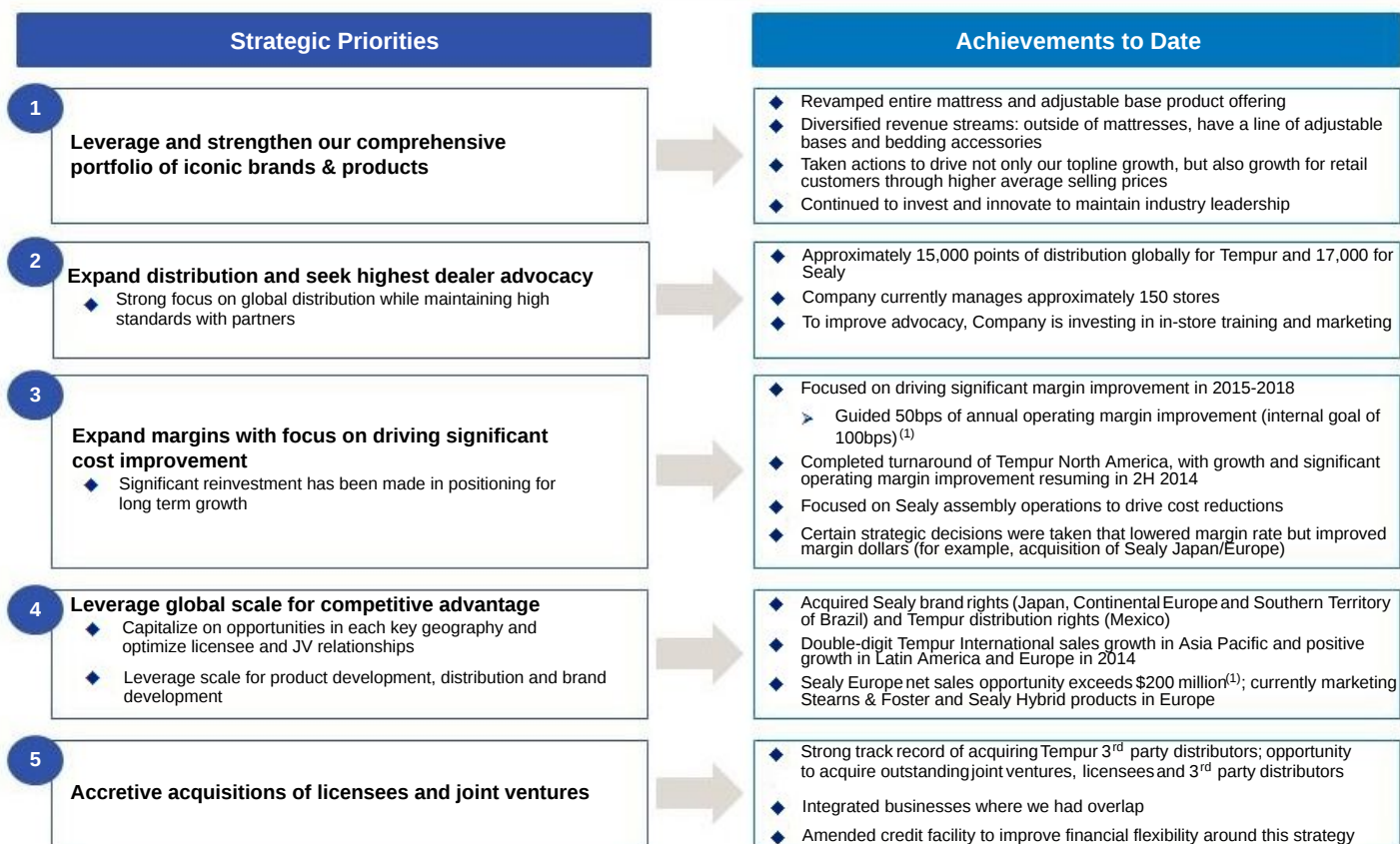
- **Base Annual Targets <sup>(1)</sup>:  
Net sales growth of 6% and  
adjusted EPS<sup>(2)</sup> growth of 15%**
- **Strong cash flow to reduce debt  
and return value to stockholders**

*Delivering value for stockholders*

Note 1: Management estimates. Please refer to "Forward Looking Statements". Targets are based on constant currency. For information on the methodology used to present information on a constant currency basis, please refer to "Constant Currency Information" at the end of this presentation.

Note 2: Adjusted EPS (which is a non-GAAP financial measure) is EPS adjusted for Sealy transaction and integration costs, loss on disposal of business related to the disposition of the three U.S. innerspring component facilities and related equipment, interest and fees incurred in connection with debt refinancings and amendments, normalized tax rate adjustments and to exclude certain non-recurring items. Please refer to the reconciliations under "Use of Non-GAAP Financial Measures" at the end of this presentation and the Company's SEC filings for more information regarding the definition of adjusted EPS.

# Achievements to Date



Note 1: Target presented on a constant currency basis. For information on the methodology used to present information on a constant currency basis, please refer to "Constant Currency Information" at the end of this presentation.



# Returning Tempur North America to a Position of Strength and Profitability

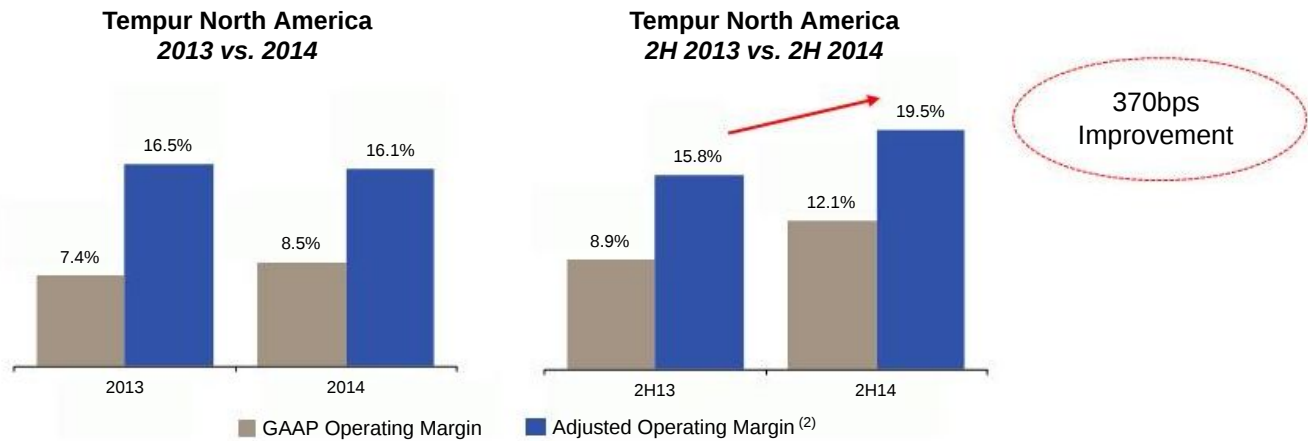
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- ◆ Tempur Sealy has a complete and complementary portfolio of brands and products
- ◆ We expect strong market share gains in 2014 to continue
- ◆ Growth from new products, effective marketing and channel synergies
  - Robust product pipeline
  - Commitment to strengthening brands
  - Effective trade customer support
- ◆ Focused on improving profitability
  - Driving price and mix
  - Capturing synergies
  - Operating cost productivity

*Well positioned to continue to gain market share  
and drive margin improvement*

# Returning Tempur North America to a Position of Strength and Profitability (Cont'd)

- ◆ Our first half of 2014 investments are paying off as sales grew double-digits and margins expanded considerably in the second half of 2014 as compared to the second half of 2013
- ◆ 2015 guidance assumes significant further margin improvement <sup>(1)</sup>
  - Volume leverage, cost productivity, pricing and fewer floor model launch costs

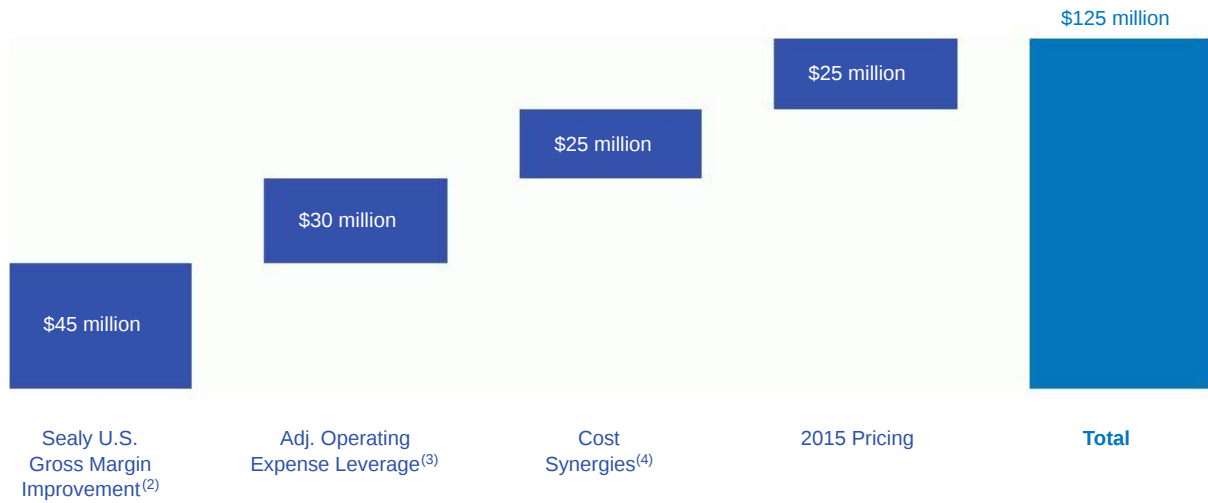


Note 1: 2015 operating margin improvement based on management estimates. Please refer to "Forward Looking Statements".

Note 2: Adjusted operating margin (operating margin less corporate expense) is a non-GAAP financial measure. GAAP operating margin for Tempur North America improved 320 basis points in the second half of 2014 compared to the second half of 2013. For information on Tempur North America adjusted operating margin and a reconciliation to GAAP operating margin please refer to "Use of Non-GAAP Financial Measures" at the end of this presentation.

# Intensely Focused on Enhancing Margins

## Incremental Operating Income Targets by 2018<sup>(1)</sup>



*These initiatives alone are expected to provide more than 300bps of operating margin improvement*

Note 1: Represents initiatives to be achieved by 2018. Our expectation is that they will ramp through the period. Approximately 30% of the total \$125 million is incorporated into our full year 2015 adjusted EPS guidance issued on February 5, 2015. See "Forward Looking Statements".

Note 2: Refers to Sealy gross margin improvement in the U.S. Sealy gross margin improvement excludes the benefit from cost synergies.

Note 3: Adjusted operating expense is a non-GAAP financial measure. For information on adjusted operating expense please refer to "Use of Non-GAAP Financial Measures" at the end of this presentation.

Note 4: Cost synergies reflect annualized cost synergies from the Sealy transaction.

# Continuing to Successfully Integrate Sealy

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- ◆ Transformational acquisition of Sealy significantly increased the scale and complexity of the Company
  - Doubled net sales<sup>(1)</sup>
  - More than tripled the number of employees (to 7,100)
  - Increased the number of manufacturing facilities to 25 from 3
    - Sealy also manufactures using different technologies than Tempur
- ◆ The Company has achieved more synergies than initially projected
  - At the time of the acquisition, projected cost synergies of \$40 million by the end of the third year
  - Achieved \$45 million by the end of 2014, less than two years after completing the acquisition
  - Currently projecting \$70 million in cost synergies by 2018<sup>(2)</sup>
- ◆ A significant portion of the \$45 million of achieved cost synergies has been reinvested into the business
  - Product Innovation: Increased investment in R&D to increase cadence of new product introductions to drive growth and market share gains
  - Marketing: Reinvested media synergies and increased advertising (e.g. TRPs up 20%)<sup>(3)</sup>; also invested in in-store marketing
  - International: Invested in acquiring international Sealy brand and Tempur distribution rights to capitalize on future growth
- ◆ Re-investment return highlighted by strong sales growth and market share; profitability expected to improve over time as tiered brand structure allows for cascading of technologies and consumer loyalty (repeat purchases)

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Note 1: Sealy's net sales for its fiscal year ended December 2, 2012 were \$1.35 billion and Tempur-Pedic International's net sales for its fiscal year ended December 31, 2012 were \$1.40 billion.

Note 2: Target presented on a constant currency basis. For information on the methodology used to present information on a constant currency basis, please refer to "Constant Currency Information" at the end of this presentation.

Note 3: TRP's are target rating points and are a measure of reach for a specifically targeted audience.

# Sealy Assembly Transformation

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## ◆ Key initiatives within the plants

- Standardize best practices
- Embed lean principles and eliminate waste
- Improve hiring and staffing
- Smooth production, reduce overtime
- Elevate focus on quality and customer satisfaction, lower returns



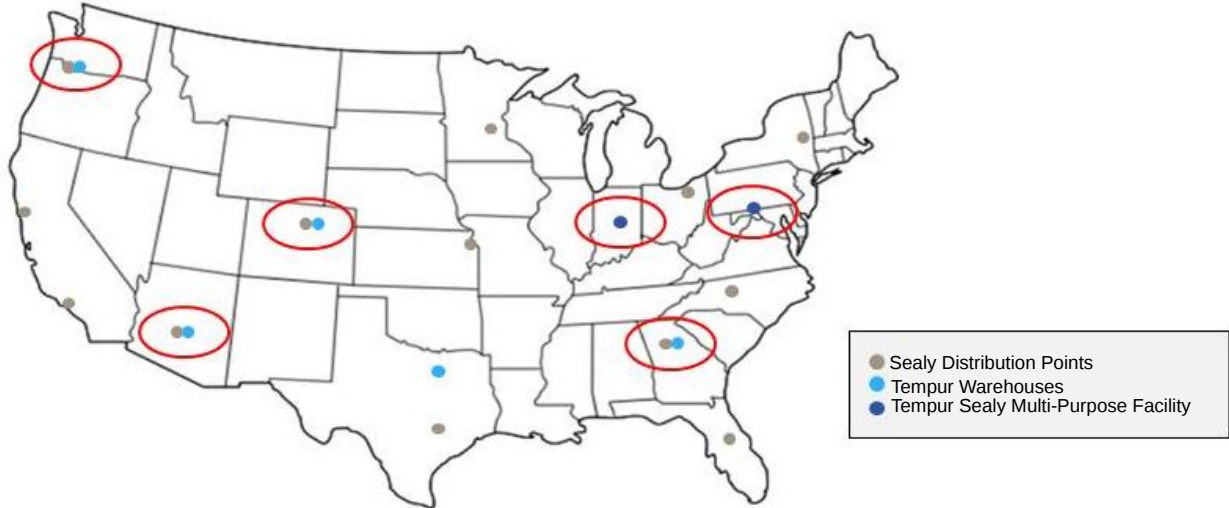
## ◆ Key initiatives across the network

- Improve forecasting and demand planning
- Reduce SKU complexity
- Optimize combined TSI network

*Drive total cost reduction*

# Optimizing Warehouse/Distribution Network (2015)

- ◆ Distribution network to service national retailers with considerable efficiency opportunities

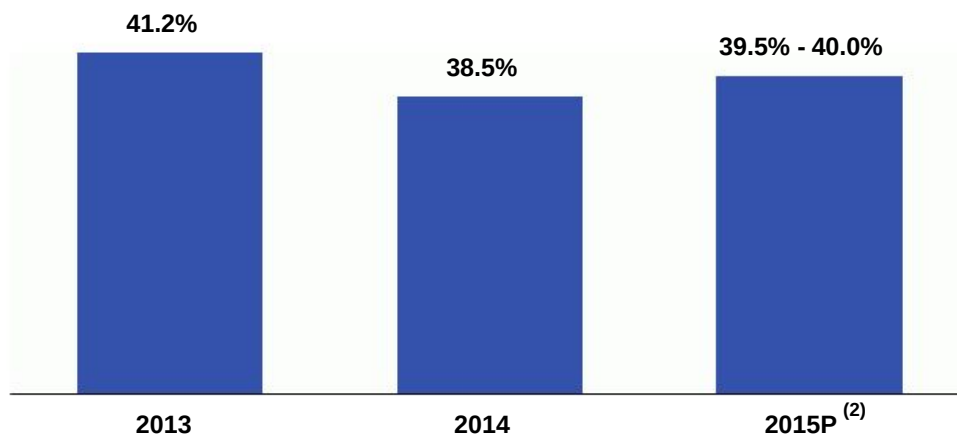


Warehouse/Distribution Network Initiatives	Timing
Consolidated Sealy Ft. Worth, TX facility into Brenham, TX facility	2014
Announced closure of Sealy Batavia, IL facility	2015
Opening Tempur Sealy multi-purpose facility in Plainfield, IN (Indianapolis)	2Q 2015
Opening Tempur Sealy multi-purpose facility in Williamsport, MD	2015
Repositioning Tempur warehouses	2014/2015

# Expect To Reverse Gross Margin Trend In 2015

- ◆ 2015 margin improvement to be driven by pricing, volume leverage and cost efficiencies, offset partially by unfavorable currency, product and channel mix and slight commodity inflation
- ◆ Excluding FX<sup>(1)</sup>, gross margin is expected to be up approximately 150bps to 200bps

## GAAP Gross Margin



Note 1: Target presented on a constant currency basis. For information on the methodology used to present information on a constant currency basis, please refer to "Constant Currency Information" at the end of this presentation.

Note 2: Management estimates. Please refer to "Forward Looking Statements".

# Pricing Actions to Drive Margin Improvement

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- ◆ Price increase on Tempur-Pedic adjustable bases (select) in late 2014
- ◆ Price increase on Tempur-Pedic mattresses (select) in March 2015

*Capitalize on Tempur-Pedic's brand strength: low single-digit pricing actions drive \$25 million of margin improvement*

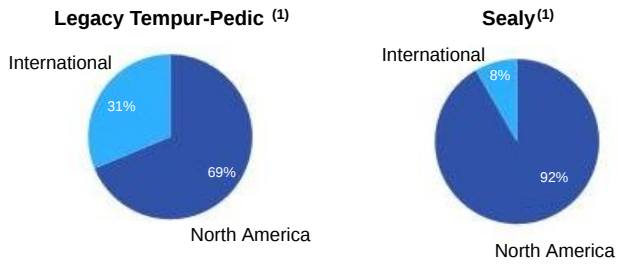
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Note: Prices were increased on select models.

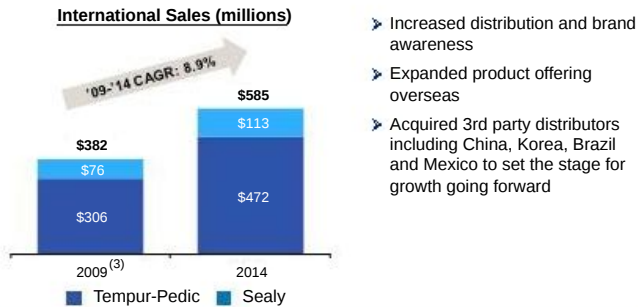


# Executing Global Growth Plan

## Relatively Modest Global Footprint at the Time of Sealy Acquisition



## We Have Positioned the Company for Growth Going Forward



- Increased distribution and brand awareness
- Expanded product offering overseas
- Acquired 3rd party distributors including China, Korea, Brazil and Mexico to set the stage for growth going forward

Today, international represents ~\$600 million in reported net sales; however, total brand sales through partnerships is \$1 billion+ globally

## Key Growth Priorities

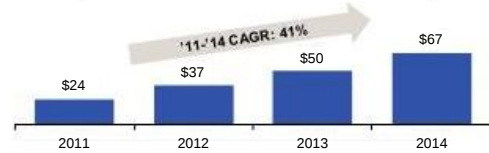
### 1 Sealy Europe

- \$200 million net sales opportunity for Continental Europe with Sealy brand based on achieving a similar market share as Tempur<sup>(2)</sup>
- Already secured over 1,000 retail doors for initial placement of Stearns & Foster and Sealy brands in Europe

### 2 Direct Distribution

- Distribution in general tends to be very country-specific with few cross national retailers
- Tempur International direct sales (wholly owned or partnership) are a significant vehicle for growth (41% CAGR since 2011)

Tempur International Direct Sales (millions)



### 3 Tempur Sealy Japan

- Acquired the brand rights for Sealy in mid-2014 and subsequently integrated that business into our Japanese Tempur subsidiary
- Japan subsidiary anticipated to develop into our largest subsidiary outside of North America

### 4 Build Brand Awareness

- Brand awareness internationally is significantly lower than in the U.S.
- Started making significant investment in the Tempur brand in selected markets
- Focus is on effective campaigns (TV ads, promotions, in-store marketing) and increasing visibility on digital channels

The Company has a range of growth initiatives which vary by country / region and roll up to the overall plan

Note 1: Based on net sales for Tempur-Pedic International for the year ended December 31, 2012 and net sales for Sealy Corporation for the year ended December 2, 2012.

Note 2: Target presented on a constant currency basis. For information on the methodology used to present information on a constant currency basis, please refer to "Constant Currency Information" at the end of this presentation.

Note 3: Based on net sales for Tempur-Pedic International for the year ended December 31, 2009 and net sales for Sealy Corporation for the year ended November 29, 2009.

# Sealy Europe Is A Key Growth Investment

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- ◆ Sealy Europe is a \$200+ million net sales opportunity<sup>(1)</sup>
  - Tempur has mid-single digit share of the \$4+ billion Continental European market<sup>(2)</sup>
  - Sealy Europe opportunity based on achieving a similar market share level to Tempur
  
- ◆ Build scale through mixed manufacturing model
  - Stearns & Foster products are being manufactured in North America and exported to Europe
  - Sealy Hybrid products transitioned to a higher quality new supplier in Eastern Europe in Q1
  
- ◆ Leveraging Tempur Europe infrastructure and premium retail distribution strength
  - Secured over 1,000 retail doors for initial placement of Stearns & Foster and Sealy in Europe
  - Roll-out occurring in all key markets except the UK
  
- ◆ Investing to build brand awareness and profitable product portfolio across technologies

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Note 1: Target presented on a constant currency basis. For information on the methodology used to present information on a constant currency basis, please refer to "Constant Currency Information" at the end of this presentation.

Note 2: Market share and market size information is based on CSIL World Mattress Report, 2014 (Top 35 Markets Mattress Consumption) and management estimates.

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# Tempur International Margins Pressured By Sealy Mix

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- ◆ Tempur International operating margins deteriorated in 2014 vs. 2013 due primarily to launch of Sealy Europe, unfavorable FX and market weakness in Central Europe
- ◆ International margins will continue to be pressured by increased Sealy mix, however in the future margin dollars will increase as Sealy sales grow in international markets



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Note: Please refer to "Forward Looking Statements".

## Foundation is Set to Meet Growth Targets

<b>NET SALES GROWTH</b>	<b>6%</b>
<b>OPERATING MARGIN IMPROVEMENT</b>	<b>50bps</b>
<b>DELEVERAGING TO 3X AND RETURNING VALUE TO STOCKHOLDERS</b>	
<b>ADJUSTED EPS GROWTH<sup>(2)</sup></b>	<b>15%</b>

***Targets are Based on Constant Currency <sup>(3)</sup>***

Note 1: Management estimates. Please refer to "Forward Looking Statements".

Note 2: Adjusted EPS (which is a non-GAAP financial measure) is EPS adjusted for the Sealy acquisition and related integration costs, loss on disposal of business related to the disposition of the three U.S. innerspring component facilities and related equipment, interest and fees incurred in connection with debt refinancings and amendments, normalized tax rate adjustments and to exclude certain non-recurring items. Please refer to the reconciliations under "Use of Non-GAAP Financial Measures" at the end of this presentation and the Company's SEC filings for more information regarding the definition of adjusted EPS.

Note 3: Targets are based on constant currency, excluding the impact from foreign exchange. For information on the methodology used to present constant currency information please refer to "Constant Currency Information" at the end of this presentation.

# 2015 Guidance Consistent With Higher Margin Targets

	<u>Guidance Range</u> <sup>(1)</sup>	<u>FX Adjusted</u> <sup>(1)(2)</sup>	<u>Guidance Mid-Point FX Adjusted</u> <sup>(1)(2)</sup>
<b>Net Sales Growth</b>	<b>2% to 5%</b>	<b>5.5% to 8.5%</b>	<b>7.0%</b>
<b>Adjusted Operating Margin <sup>(3)</sup> Growth</b>	<b>~10 to 80bps</b>	<b>~80 to 150bps</b>	<b>~115bps</b>
<b>Adjusted EPS Growth <sup>(4)</sup></b>	<b>2% to 17%</b>	<b>12% to 27%</b>	<b>20%</b>

Note 1: The Company issued guidance on February 5, 2015 for full year 2015 Net Sales of \$3.050 billion to \$3.150 billion and adjusted EPS of \$2.70 to \$3.10. Targets are based on constant currency. Management estimates. Please refer to "Forward Looking Statements".

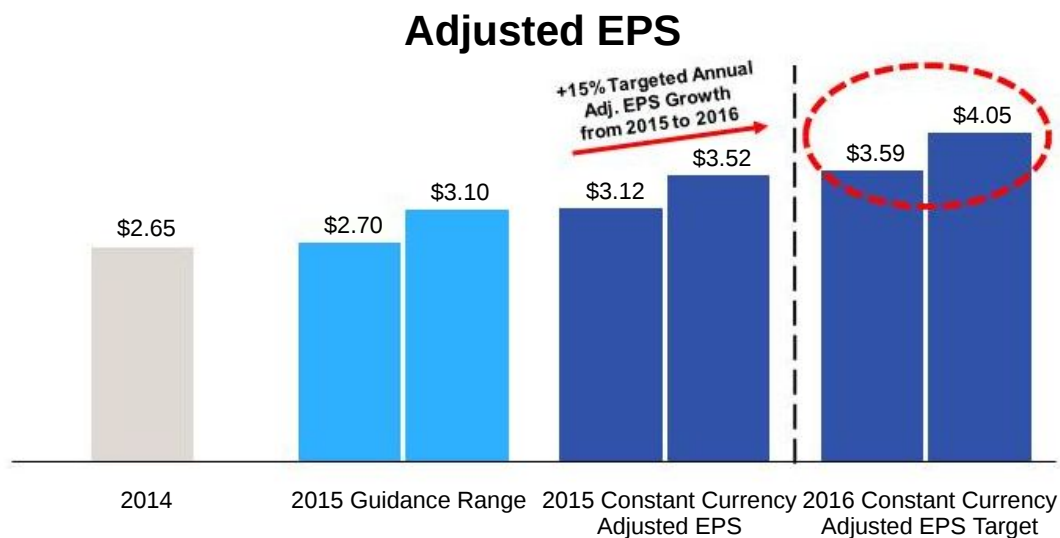
Note 2: Targets are based on constant currency, excluding the impact from foreign exchange. For information on the methodology used to present constant currency information please refer to "Constant Currency Information" at the end of this presentation.

Note 3: Adjusted operating margin is a non-GAAP financial measure. For information on the methodology used to present adjusted operating margin please refer to "Use of Non-GAAP Financial Measures" at the end of this presentation.

Note 4: Adjusted EPS (which is a non-GAAP financial measure) is EPS adjusted for the Sealy acquisition and related integration costs, loss on disposal of business related to the disposition of the three U.S. innerspring component facilities and related equipment, interest and fees incurred in connection with debt refinancings and amendments, normalized tax rate adjustments and to exclude certain non-recurring items. Please refer to the reconciliations under "Use of Non-GAAP Financial Measures" at the end of this presentation and the Company's SEC filings for more information regarding the definition of adjusted EPS.

# We Are On Track For Our 2016 Targets

*Based on high end of 2015 guidance and our annual growth targets, we would be on pace to achieve our 2016 \$4.00 Adj. EPS target, on a constant currency basis*



Note: Management estimates. Please refer to "Forward Looking Statements".

Note: Growth presented is based on the Company's guidance issued on February 5, 2015, which consisted of full year 2015 Net Sales of \$3.050 billion to \$3.150 billion and adjusted EPS of \$2.70 to \$3.10.

Note: 2015 Constant Currency Adjusted EPS adjusts for the negative foreign exchange impact to adjusted EPS during 2014 and anticipated in 2015. 2016 adjusted EPS target is based on the Company's adjusted EPS growth targets for 2015-2018 and is based on constant currency. For information on the methodology used to present constant currency information please refer to "Constant Currency Information" at the end of this presentation.

Note: Adjusted EPS (which is a non-GAAP financial measure) is EPS adjusted for Sealy transaction and integration costs, loss on disposal of business related to the disposition of the three U.S. innerspring component facilities and related equipment, interest and fees incurred in connection with debt refinancings and amendments, normalized tax rate adjustments and to exclude certain non-recurring items. Please refer to the reconciliations under "Use of Non-GAAP Financial Measures" at the end of this presentation and the Company's SEC filings for more information regarding the definition of adjusted EPS.

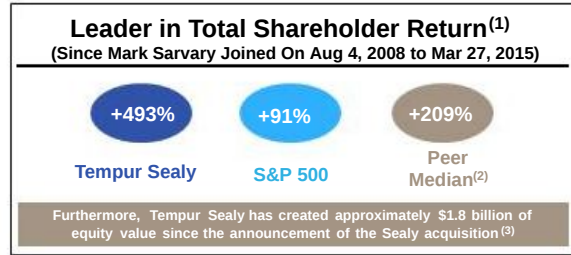
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Experienced Team With Proven Track Record

# History of Strong Results Under Mark Sarvary

## ◆ Committed to delivering and driving stockholder value

- Since Mr. Sarvary's appointment as CEO in August 2008, Tempur Sealy has realized a total shareholder return more than 5.4x that of the S&P 500 and 2.3x that of the peer median<sup>(2)</sup>



## ◆ Critical to successful execution of Tempur Sealy's strategy

- Directly responsible for development of value enhancing strategy
- Achievements as CEO include transformative acquisition of Sealy, highly successful introduction of TEMPUR-Cloud mattress line and record number of new product launches in 2014
- Maintains important relationships with strategic partners and major customers that are critical to the Company

## ◆ Broad management capabilities

- Veteran of consumer products industry; prior leadership positions include President of Campbell Soup's North America Division, CEO of J. Crew and President of Stouffer Frozen Food division under Nestlé
- As President of Campbell Soup's NA division, Mr. Sarvary was responsible for businesses with annual revenues exceeding \$6 billion, including the Campbell Soup, Pepperidge Farm, Pace, Prego and V8 brands, as well as Godiva's global business
- Served as an industrial partner to CVC Capital Partners, a global private equity firm, prior to joining the Company

Note 1: Total shareholder return includes stock price appreciation and dividends reinvested. Represents performance from August 4, 2008, the date Mr. Sarvary joined as CEO, to March 27, 2015.


Note 2: Peer group as outlined in Tempur Sealy Form 10-K for the year ended December 31, 2014. Mattress Firm Holding Corp. excluded because it was private at the time Mark Sarvary joined as CEO on August 4, 2008; its IPO was completed on November 17, 2011.

Note 3: Represents performance from September 26, 2012, the date prior to the announcement of our Sealy acquisition, to March 27, 2015. Equity value calculated using basic shares outstanding.



# Best-in-Class Management Team

*Management team possesses substantial consumer products industry and international expertise as well as an integral understanding of Tempur Sealy's business*

Executive	Position	Previous Executive Roles	Prior Experience		Year Joined Tempur Sealy
			Consumer Products	International	
 Tim Yaggi	Chief Operating Officer	Group President, Masco Corporation EVP, Whirlpool Corporation	✓	✓	2013
 Dale Williams	EVP and Chief Financial Officer	CFO, Honeywell Control Products CFO, Saga Systems CFO, GE Information Systems	✓	✓	2003
 David Montgomery	EVP and President, International	President, Rubbermaid Europe VP, Black & Decker Europe, Middle East, Africa	✓	✓	2003
 Richard Anderson	EVP and President, North America	VP, Procter & Gamble VP, The Gillette Company	✓	✓	2006
 Jay Spenchian	EVP and Chief Marketing Officer	EVP and CMO, Olive Garden and Red Lobster Executive Director, Marketing, General Motors	✓	✓	2014

# Well-Balanced Board, With Diverse Experience and Senior Leadership

*The Board has a wide range of expertise, diverse backgrounds and complementary experience*

Director	Independent <sup>(1)</sup>	CEO / President / CFO / Finance / Legal Experience	Senior Leadership at Company with Global Operations	Consumer / Retail Experience
Evelyn S. Dilsaver	✓	✓	✓	✓
Frank Doyle	✓	✓	✓	
John A. Heil	✓	✓	✓	✓
Peter K. Hoffman	✓	✓	✓	✓
Sir Paul Judge	✓	✓	✓	✓
Nancy F. Koehn	✓			✓
Christopher A. Masto	✓	✓		✓
P. Andrews McLane	✓	✓	✓	✓
Lawrence J. Rogers		✓	✓	✓
Mark A. Sarvary		✓	✓	✓
Robert B. Trussell Jr.	✓	✓	✓	✓

Note 1: Per NYSE independence rules.

# Experienced and Engaged Board Represents All Stockholders

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## ◆ Nine of eleven Board directors are independent<sup>(1)</sup>

- Strong record of working to align management compensation with performance
- Fully committed to Tempur Sealy; eight of the directors hold no outside public company directorships, three directors hold only one or two outside public company directorships

## ◆ Board members possess relevant skill sets

- Mattress industry experience
- Branded consumer products marketing and sales
- Manufacturing and marketing expertise
- International expansion expertise
- Finance, accounting and regulatory expertise
- Mergers and acquisitions / corporate finance expertise
- Risk management expertise
- Information technology expertise

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Note 1: Per NYSE independence rules.

# Commitment to Best-in-Class Corporate Governance

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## ◆ Strong record of stockholder friendly actions and responsiveness to stockholder concerns

- Highest ISS score of 1 for corporate governance in 2015<sup>(1)</sup>
- No poison pill in place
- Majority voting standard
- Clawback policy
- Prohibition on hedging or pledging Company securities
- Prohibition on re-pricing stock options without stockholder approval
- Separate Chairman and CEO roles since 2002
- Nine of eleven Board directors are independent<sup>(2)</sup>
- Declassified Board
- One year terms
- Stock ownership guidelines

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Note 1: In contrast, Six Flags Entertainment Corporation has an ISS corporate governance rating of 6 (out of 10), including significantly lower scores than Tempur Sealy in the areas of Board Structure and Compensation. Mr. Usman Nabi of H Partners is the Chair of the Six Flags Nominating and Corporate Governance Committee.

Note 2: Per NYSE independence rules.

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## Setting the Record Straight on H Partners

# Situation Overview

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- ◆ H Partners has demanded the following:
  - Mark Sarvary be terminated immediately as CEO
  - P. Andrews McLane, Christopher Masto and Mark Sarvary resign from the Board of Directors
  - Usman Nabi be appointed to the Company Board
  - Company assign an interim CEO and undertake a CEO search
  - Mr. Nabi to become the head of a CEO Search Committee and a member of the Compensation Committee
  
- ◆ H Partners has not outlined any constructive steps to enhance the Company's strategy, capital structure, or operating plans
  - Instead, advocates high-risk and value-destroying leadership changes, while making inaccurate statements about its history of communicating with Tempur Sealy
  - H Partners has also repeatedly refused to engage in a constructive dialogue with the Board
    - Summarily dismissed the proposal to identify a mutually acceptable, independent director to add to the Tempur Sealy Board
    - Repeatedly refused to discuss anything with management and the Board other than in the context of the Company's acceptance of H Partners' demands
  
- ◆ We question how enabling a lone stockholder to unilaterally select a CEO candidate would constitute proper corporate governance or sound objective reasoning
  
- ◆ Leadership transition at this time would be risky and value-destructive to the Company
  - Mr. Sarvary is directly responsible for developing and implementing Tempur Sealy's strategy, putting in place a deep bench of leadership and creating a strong performance oriented culture to ensure its successful execution
  - Mr. McLane and Mr. Masto bring significant experience, the perspective of successful growth equity investors and, together with the other Board members, provide effective oversight of the Company

## Historical Public Equity Holdings<sup>(1)</sup>

	12/31/11	12/31/12	12/31/13	12/31/14
Six Flags Entertainment Corp.	\$548,904	\$781,689	\$940,581	\$708,499
# of Shares Held	26,620	25,545	25,545	16,419
% Total Value	84.1%	73.0%	62.6%	56.5%
Tempur Sealy International Inc.	--	\$95,213	\$318,040	\$333,578
# of Shares Held	--	3,024	5,894	6,075
% Total Value	--	8.9%	21.2%	26.6%
Grace W R & Co.	\$50,971	\$84,038	\$126,059	\$100,267
# of Shares Held	1,110	1,250	1,275	1,051
% Total Value	7.8%	7.8%	8.4%	8.0%
Remy International, Inc.	--	\$46,593	\$68,929	\$58,602
# of Shares Held	--	2,912	2,956	2,801
% Total Value	--	4.4%	4.6%	4.7%
Boyd Gaming Corp	\$25,364	\$25,564	\$47,855	\$53,856
# of Shares Held	3,400	3,850	4,250	4,214
% Total Value	3.9%	2.4%	3.2%	4.3%
Sealy Corp. <sup>(2)</sup>	\$25,140	\$37,500 <sup>(3)</sup>	--	--
# of Shares Held	14,616	17,281	--	--
% Total Value	3.9%	3.5%	--	--
Cumulus Media Inc. Class A	\$2,260	--	--	--
# of Shares Held	677	--	--	--
% Total Value	0.3%	--	--	--
<b>Total Value</b>	<b>\$652,640</b>	<b>\$1,070,597</b>	<b>\$1,501,464</b>	<b>\$1,254,802</b>

- ◆ H Partners Management is an independent investment firm based in New York City
  - Investment / hedge fund founded by Rehan Jaffer in 2005
  - Currently has public equity holdings in 5 companies according to its latest 13F filing
  - Largest public equity holding is Six Flags Entertainment Corporation, which emerged from bankruptcy in 2010 and accounts for approximately 58% of public equity holdings
- ◆ Currently owns 6,075,000 shares, or approximately 10%, of Tempur Sealy International
  - Second largest holding accounting for approximately 26% of H Partners' public equity holdings
  - As of March 31, 2015, Tempur Sealy's stock price has appreciated 83% since H Partners' initial investment vs. 45% appreciation in the S&P 500<sup>(4)</sup>
  - In addition, Tempur Sealy's stock has appreciated 5% YTD (through March 31, 2015) compared to a 0.4% increase in S&P 500 over the same period

Note 1: Dollars and number of shares in thousands. Represents market value at period end. Based on holdings disclosed in SEC filings made by H Partners.

Note 2: Sealy Corporation was acquired by Tempur-Pedic International on March 18, 2013.

Note 3: Excludes 100,000 shares related to Senior Secured Third Lien Convertible Notes per H Partners' Form 13F for Quarter Ended December 31, 2012.

Note 4: Initial investment represents the last day of quarter (12/31/2012) of first investment by H Partners in Tempur Sealy as per SEC filings.

# H Partners' Inconsistent Communication Highlights

## Questionable Motives

- ◆ Tempur Sealy is dedicated to communicating with all of its stockholders and values constructive input toward the goal of enhancing stockholder value
  - To that end we have communicated and been open to communications with H Partners
- ◆ H Partners has made inconsistent inaccurate statements about its interactions with the Company
  - The first time that H Partners raised specific concerns regarding management and Board changes was on a phone call with the Company's Chairman on February 7, 2015
- ◆ Sudden critical public stance is inconsistent with its previous positive communications regarding the Company's performance
  - During H Partners' 2012 campaign at Sealy, H Partners pointed to Mark Sarvary's "strong consumer and general management background" as an example of the qualities that "enabled Tempur-Pedic to succeed"
  - H Partners has commended Board and management for strategic oversight, leadership and progress against its plan

*"In 2008... Tempur-Pedic recruited a CEO [Mark Sarvary] who previously worked at the Campbell Soup Company, J. Crew and Nestle... These managers' strong consumer and general management backgrounds have enabled Tempur-Pedic and Select Comfort to succeed."*

*H Partners Letter to Sealy Corporation  
(11 March 2012)*

*"Congratulations on moving the Sealy acquisition forward. We appreciate the thoughtfulness, focus, and hard work of Tempur-Pedic's Board and management team. We now own 3.4 million shares of Tempur-Pedic because we believe in Tempur's management and brand, and because a combined Tempur and Sealy will be a formidable company."*

*H Partners email to Andy McLane,  
Chairman of the Board  
(12 March 2013)*

*"Congratulations on your progress in the second quarter. In particular, we were impressed by Tempur North America's growth. We know how much work went into stabilizing this segment, and we are very appreciative. Between Tempur North America's resumed growth trajectory, Sealy's continued market share gains, and an expanding international presence for both brands, the company's future is bright. Thanks for your leadership..."*

*H Partners email to Mark Sarvary and other  
members of Tempur Sealy management  
(25 July 2014)*

Note: Permission to use quotations neither sought nor obtained.



Allegations	Responses
<p><b>Low Shareholder Returns</b></p>	<ul style="list-style-type: none"> <li>✓ Tempur Sealy has realized a total shareholder return of 493% since Mr. Sarvary joined as CEO<sup>(1)</sup></li> <li>✓ Since Mr. Sarvary joined as CEO, Tempur Sealy stock has significantly outperformed peers and the broader market, generating a return more than 5.4x that of the S&amp;P500<sup>(1)</sup></li> <li>✓ Since announcing the acquisition of Sealy in September 2012, a clear strategic pivot, Tempur Sealy has significantly outperformed Select Comfort and the S&amp;P500 and performed in-line with Mattress Firm<sup>(2)</sup></li> </ul>
<p><b>Poor Performance Under CEO</b></p>	<ul style="list-style-type: none"> <li>✓ Until 2012, Tempur-Pedic had limited competition in the visco-elastic category it created and has led for 20 years; Mr. Sarvary successfully navigated the Company through a competitive onslaught, executing an aggressive change in strategy to the benefit of stockholders</li> <li>✓ Transformational acquisition of Sealy Corporation created a complete, diversified brand portfolio that has positioned the Company as the only truly global player in the bedding manufacturing industry</li> <li>✓ Mr. Sarvary has led the successful implementation of an international growth strategy, redesigned the product portfolio and assembled a strong management team with relevant executive level experience and background</li> </ul>
<p><b>Declining Profitability Under CEO</b></p>	<ul style="list-style-type: none"> <li>✓ Time period chosen by H Partners to compare profitability demonstrates a lack of understanding of the sector</li> <li>✓ The shift in mattress industry dynamics has led to lower profitability for all participants; since 2012, Select Comfort has realized a drop in profitability comparable to Tempur Sealy<sup>(3)</sup></li> <li>✓ The acquisition of Sealy Corporation, a lower margin manufacturer with sales comparable to Tempur-Pedic International, led to significantly lower margins for the combined company<sup>(4)</sup></li> <li>✓ Management remains intensely focused on enhancing margins and driving profitability, with operational objectives in place that are expected to generate approximately \$125 million in operating income improvement<sup>(5)</sup> by 2018</li> </ul>

Note 1: Total shareholder return includes stock price appreciation and dividends reinvested. Represents performance from August 4, 2008, the date Mr. Sarvary joined as CEO, to March 27, 2015.  
 Note 2: Total shareholder return includes stock price appreciation and dividends reinvested. Represents performance from September 26, 2012, the date prior to the announcement of our Sealy acquisition, to March 27, 2015. During this time, Mattress Firm has realized a total shareholder return of 131%, Tempur Sealy of 111%, the S&P 500 of 52% and Select Comfort of 9%.  
 Note 3: As per Company disclosed FY 2012-2014 adjusted EBITDA.  
 Note 4: Net sales of \$1.40 billion for Tempur-Pedic International for its fiscal year ended December 31, 2012, and net sales of \$1.35 billion for Sealy Corporation for its fiscal year ended December 2, 2012.  
 Note 5: Represents initiatives to be achieved by 2018. Our expectation is that they will ramp through the period. Approximately 30% of the total \$125 million is incorporated into our full year 2015 adjusted EPS guidance issued in February 2015. See "Forward Looking Statements".

Allegations	Responses
<p><b>Loss of Premier Position in Foam</b></p>	<ul style="list-style-type: none"> <li>✓ Tempur never lost its premier position in foam; its position was challenged in 2012, and Tempur took decisive actions to retain its leadership including revamping its entire product line</li> <li>✓ Tempur's premier position today is evidenced by its ability to gain market share in 2014, record double digit topline growth in 2H 2014 and increase prices on select models in 2015</li> <li>✓ We believe Tempur Sealy has the strongest brands in the mattress sector due to a commitment to advertising and brand building, product development and customer advocacy</li> </ul>
<p><b>Ineffective Sealy Integration</b></p>	<ul style="list-style-type: none"> <li>✓ Transformational acquisition of Sealy Corporation significantly increased the scale of the Company: added \$1.35 billion in net sales, 5,000+ employees and 22 manufacturing facilities, with different technologies than Tempur</li> <li>✓ Tempur Sealy has achieved more cost synergies than originally anticipated, \$45 million through 2014 compared to the original target of \$40 million, and is expecting an additional \$25 million of annual cost synergies prior to 2018</li> <li>✓ A significant portion of the \$45 million of cost synergies achieved to date has been reinvested into the business; the Company anticipates significant long-term revenue synergies from a broader product offering and access to more channels, including international expansion</li> <li>✓ The Company continues to attract new partners and maintains strong relationships with existing partners, including Mattress Firm, its largest customer and the largest mattress retailer in the U.S.; indeed, on February 23, 2015, Mattress Firm announced that it had presented Tempur Sealy with the Strategic Partnership of the Year award</li> </ul>
<p><b>Lack of Board / Stockholder Alignment</b></p>	<ul style="list-style-type: none"> <li>✓ The Board is comprised of 11 highly-qualified directors, all of whom are independent<sup>(1)</sup> other than Mr. Sarvary and Lawrence Rogers, Sealy Corporation's former CEO</li> <li>✓ To enhance the interests between Tempur's stockholders and its leadership, the Company requires its executives and directors to beneficially own a meaningful, minimum level of stock. Its Board and management team collectively beneficially own approximately 5.63% of the shares outstanding. Notably, Mr. Mc Lane and his spouse beneficially own or control approximately 1.30% of the Company's outstanding shares<sup>(2)</sup></li> <li>✓ The Board has constructed a compensation structure that appropriately rewards top management for performance; In 2012, when Tempur-Pedic International struggled due to competitive pressures, Mr. Sarvary realized ~27% of his target compensation</li> <li>✓ All stock transactions effected by Board members, including Mr. Masto and Mr. McLane, are in compliance with SEC regulations as well as the Company's policies including "trading window" and pre-clearance requirements</li> </ul>

Note 1: Per NYSE independence rules.

Note 2: Beneficial ownership calculated as described in the Company's proxy statement. Information for Mr. McLane includes a total of 501,058 shares reported as beneficially owned by Mr. McLane in the Company's 2015 Proxy Statement plus 288,729 shares owned by a private charitable foundation formed and controlled by Mr. McLane and his spouse, in which he has no pecuniary interest and as to which he disclaims beneficial ownership.

Allegations	Responses
<p><b>Missed Short Term Targets</b></p>	<ul style="list-style-type: none"> <li>✓ Despite fundamental changes in the bedding industry, Tempur Sealy has a strong track record of positive performance</li> <li>✓ During Mr. Sarvary's tenure, the Company has beat quarterly analyst net sales and adjusted EPS estimates nearly 80% of the time<sup>(1)</sup></li> <li>✓ In 2014, Tempur Sealy met its adjusted EPS guidance with net sales coming in above plan, exceeding the top end of the Company's initial full year net sales guidance by 3%</li> </ul>
<p><b>Improper Relationship with USSA</b></p>	<p>Consistent with its tactics of offering no constructive ideas to create value while promoting its own value-destructive self-serving agenda, H Partners has asserted that the Company's marketing relationship with the U.S. Ski and Snowboard Association (the "USSA") is somehow improper because of Mr. McLane's position as a director of the USSA. We note the following:</p> <ul style="list-style-type: none"> <li>✓ Tempur Sealy is a proud sponsor of a number of athletic organizations, including the PGA Tour and the USSA, a non-profit organization</li> <li>✓ The USSA sponsorship reaches a key demographic for Tempur Sealy and targets customers on nationally televised programming</li> <li>✓ The cost for the USSA sponsorship totaled only approximately \$325,000 for 2014, a small fraction of Tempur Sealy's \$327 million global advertising spend for the year</li> <li>✓ Tempur Sealy is among dozens of companies that are corporate sponsors of the USSA, including Audi, Bose, Charles Schwab, Delta Airlines, Goodyear, Kellogg's, Liberty Mutual, P&amp;G, Putnam Investments, Sprint, The North Face and Visa<sup>(2)</sup></li> </ul>
<p><b>Six Flags Solution for Tempur Sealy</b></p>	<ul style="list-style-type: none"> <li>✓ As a leading global developer and manufacturer of bedding products, Tempur Sealy cannot be compared to an amusement park operator emerging from bankruptcy; the drivers of historical value creation at Six Flags Entertainment Corporation are not relevant or applicable to Tempur Sealy's future success</li> <li>✓ With a depressed effective entry valuation multiple typical in a bankruptcy situation, and with Six Flags' operating performance at recession lows, the value of H Partners' equity upon Six Flags' emergence from bankruptcy was only poised to increase, regardless of its leadership team, competitive landscape or industry dynamics</li> <li>✓ Interestingly, in the time since its emergence from bankruptcy, Six Flags' stock has largely tracked that of its key public comparable, Cedar Fair<sup>(3)</sup>, and margins merely returned from bankruptcy-level margins to industry levels<sup>(4)</sup></li> <li>✓ Tempur Sealy has an ISS corporate governance rating of 1, the highest possible score. In contrast, Six Flags has an ISS corporate governance rating of 6 (out of 10), including significantly lower scores than Tempur Sealy in the area of Board Structure and Compensation. Mr. Usman Nabi of H Partners is the Chair of the Six Flags Nominating and Corporate Governance Committee</li> </ul>

Note 1: Company performance vs. median consensus estimates from Q1 2009 to Q4 2014 as per FactSet. Adjusted EPS is a non-GAAP financial measure. For more information on this non-GAAP financial measure, including reconciliations to the applicable GAAP information, please refer to "Use of Non-GAAP Financial Measures" at the end of this presentation.

Note 2: As per the USSA website.

Note 3: Six Flags and Cedar Fair total shareholder return of +491% and +437%, respectively. Represents performance from May 11, 2010, the date Six Flags stock began trading publicly following its emergence from bankruptcy, to March 27, 2015.

Note 4: Total shareholder return includes stock price appreciation and dividends reinvested.

Note 4: In 2014, Six Flags had an Adj. EBITDA margins of 37.4% compared to 21.2% in 2009. Cedar Fair had an Adj. EBITDA margin of 37.2% in 2014 compared to 32.7% in 2009. Information based on SEC filings for Six Flags and Cedar Fair.

# H Partners Timeline

Mar. 2012:	<b>H Partners' letter to Sealy Board:</b> Praise for Tempur-Pedic Board for conducting broad and effective CEO search
Mar. 2013:	<b>Usman Nabi's email to Andy McLane:</b> Support for Board and Management strategy; request for in person meeting in Boston later in the month. Mr. McLane responds and meets with Mr. Nabi at TA offices
Sept. 2013:	<b>Mr. Nabi emails Mr. McLane</b> requesting an in person meeting. Mr. McLane welcomes Mr. Nabi to his offices in Boston. In the meeting, Mr. Nabi inquires if the Company would consider adding him to the Board. Mr. McLane tells Mr. Nabi that he would pass along the request to the Nominating and Corporate Governance Committee for consideration, and if the Committee wanted to discuss the idea further with Mr. Nabi, the Committee Chairman would get back to him. Mr. Nabi does not raise this issue again until February 2015
Feb. 2014:	<b>H Partners sends a letter</b> to the Board regarding compensation structure proposal
Mar. 2014:	<b>Board responds via letter</b> from Mark Sarvary to H Partners indicating that the Company would include H Partners' proposal as a consideration for the Company's 2015 compensation program
Jul. 2014:	<b>Mr. Nabi emails Mark Sarvary and other management</b> congratulating them on Q2 performance and on successful strategy to restore Tempur NA segment
Dec. 23, 2014:	<b>Arik Ruchim emails Mr. Sarvary</b> inviting him to speak at their Annual Partner Dinner in January. Mr. Sarvary declines due to travel plans and Mr. Ruchim offers to catch up at the Las Vegas Market in January
Jan. 18, 2015	<b>Mr. Ruchim speaks to Mr. Sarvary</b> in-person in Las Vegas, and reiterates the invitation to speak at the H Partners annual partner dinner
Jan. 27-29, 2015:	<b>Mr. Nabi emails Mr. McLane</b> asking for an in person meeting with his partner Mr. Ruchim; Mr. McLane responds and proposes a late February or early March meeting due to the existing Company blackout period and his travel schedule. Mr. Nabi responds indicating the matter is time sensitive and requests a call. Mr. McLane reminds H Partners of the blackout period due to earnings and both agree to a call on Feb 7 <sup>th</sup>
Feb. 7, 2015:	<b>On the phone with Mr. McLane, Mr. Nabi of H Partners delivered their views on the CEO and made demands</b> – immediate termination of the CEO, placement of an interim CEO and putting Mr. Nabi on the Board, joining the Compensation Committee and in charge of leading the CEO search. Mr. Nabi also demanded that four Board members resign and said that H Partners would be filing a 13D the following week. Demanded an affirmative response on each of the demands by 3 pm ET on February 13 <sup>th</sup> or else H Partners would immediately launch a "public fight"
Feb. 10, 2015:	<b>Mr. McLane emails Mr. Nabi</b> requesting a dialogue to understand the reason and basis for Mr. Nabi's views <b>Mr. Nabi responds to Mr. McLane's email</b> – reiterates that he has lost confidence in both Mark Sarvary and Andy McLane and indicates he has no interest in speaking other than to discuss the implementation of the February 7 <sup>th</sup> demands. Also indicates that he is expecting a response by 5pm ET on February 13 <sup>th</sup> to the three demands made on February 7 <sup>th</sup>
Feb. 17 & 19, 2015:	<b>On February 17, H Partners files a 13D</b> and makes public a letter to certain of the Company's directors. After the Tempur Investor Day presentation on February 19, <b>Mr. Ruchim meets the CEO</b> and his team, and makes a verbal statement largely reflecting the contents of the letter previously sent
Mar. 16, 2015:	<b>Tempur files proxy materials and mails letter to stockholders</b> urging them to support value-enhancing initiatives underway by voting for the Company's director nominees <b>Mr. McLane emails Mr. Nabi</b> conveying the Company's full support of Mr. Sarvary and further stating that the Board is willing to work with H Partners to identify a mutually acceptable, independent director to add to the Board <b>H Partners sends letter to Tempur Sealy</b> demanding production of certain of the Company's books and records
Mar. 18, 2015:	<b>H Partners responds to Mr. McLane's email</b> from March 16, 2015 and rejects the proposal to identify a mutually acceptable, independent director; reiterates prior demands
Mar. 20, 2015:	<b>H Partners files proxy materials</b> urging stockholders to vote against the re-election of Masto, McLane and Sarvary. From March 30, 2015 to April 2, 2015 <b>H Partners files revised proxy materials</b>
Mar. 30, 2015:	<b>H Partners makes public a second letter</b> demanding additional Tempur Sealy books and records <b>Tempur Sealy issues a statement</b> highlighting H Partners' lack of strategy and correcting H Partners' most recent erroneous claims made in the demand
Mar. 31, 2015:	<b>Tempur Sealy files a letter with supplemental proxy materials</b> highlighting Tempur Sealy's focus on its strategic priorities and reiterating its support for the current Board

Supportive and Constructive Dialogue

Public Campaign

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Conclusion: Right Team in Place to Enhance Stockholder Value

# Creating Superior Stockholder Value



Note 1: All targets and the Sealy net sales opportunity are presented on a constant currency basis. For information on the methodology used to present constant currency information please refer to "Constant Currency Information" at the end of this presentation.  
Note 2: Adjusted EPS (which is a non-GAAP financial measure) is EPS adjusted for the Sealy acquisition and related integration costs, loss on disposal of business related to the disposition of the three U.S. Innerspring component facilities and related equipment, interest and fees incurred in connection with debt refinancings and amendments, normalized tax rate adjustments and to exclude certain non-recurring items. Please refer to the reconciliations under "Use of Non-GAAP Financial Measures" at the end of this presentation and the Company's SEC filings for more information regarding the definition of adjusted EPS.

# Tempur Sealy Urges Stockholders to Support Value-Enhancing Initiatives Underway

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- ◆ Our Board and Management Team have been a critical part of our ability to **deliver solid results and drive stockholder value including a total shareholder return of 493% since Mr. Sarvary joined as CEO<sup>(1)</sup>**
- ◆ We have successfully completed the acquisition of Sealy Corporation creating **a global bedding leader with a complete and complementary portfolio of brands**
- ◆ We are focused on **driving strong margins and long term growth through reinvestment in the business** as evidenced by Tempur North America's return to a position of strength and profitability
- ◆ We are **leveraging our global scale** to execute our international growth plan by increasing distribution, brand awareness and product offerings
- ◆ **We believe H Partners has outlined no constructive steps to enhance the Company's strategy, capital structure or operating plans**, but rather advocates high-risk, value-destroying leadership changes

***VOTE THE WHITE PROXY CARD FOR TEMPUR SEALY'S  
EXPERIENCED AND HIGHLY QUALIFIED DIRECTORS:***

Evelyn S. Dilsaver, Frank Doyle, John A. Heil, Peter K. Hoffman, Sir Paul Judge, Nancy F. Koehn,  
Christopher A. Masto, P. Andrews McLane, Lawrence J. Rogers, Mark Sarvary and Robert B. Trussell, Jr.

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Note 1: Total shareholder return includes stock price appreciation and dividends reinvested. Represents performance from August 4, 2008 to March 27, 2015.

**Vote Now “FOR” the Board of Directors of Tempur Sealy**

**Please Sign, Date and Return the WHITE Proxy Card Today**

- If you need assistance in executing your WHITE proxy card or placing your vote, please contact our proxy solicitor:

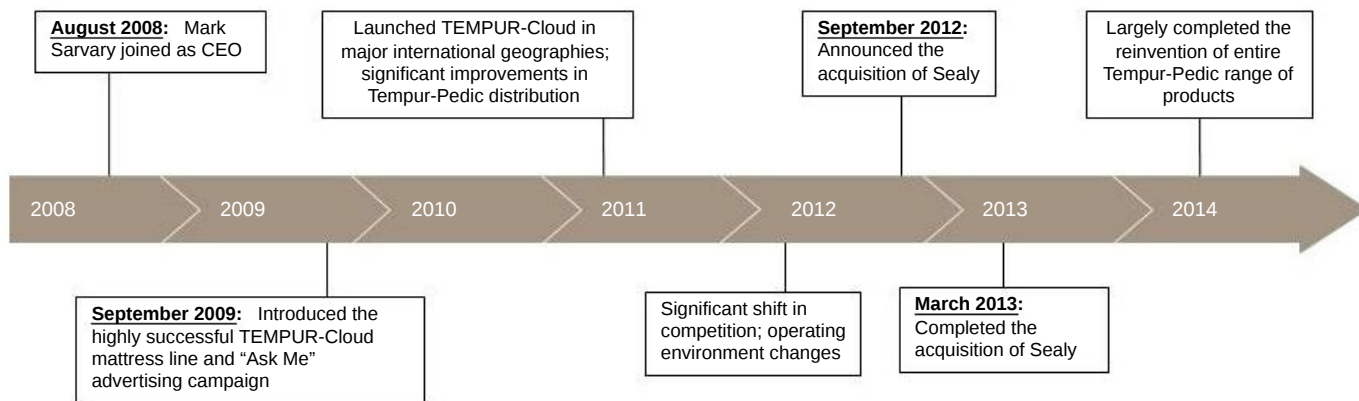
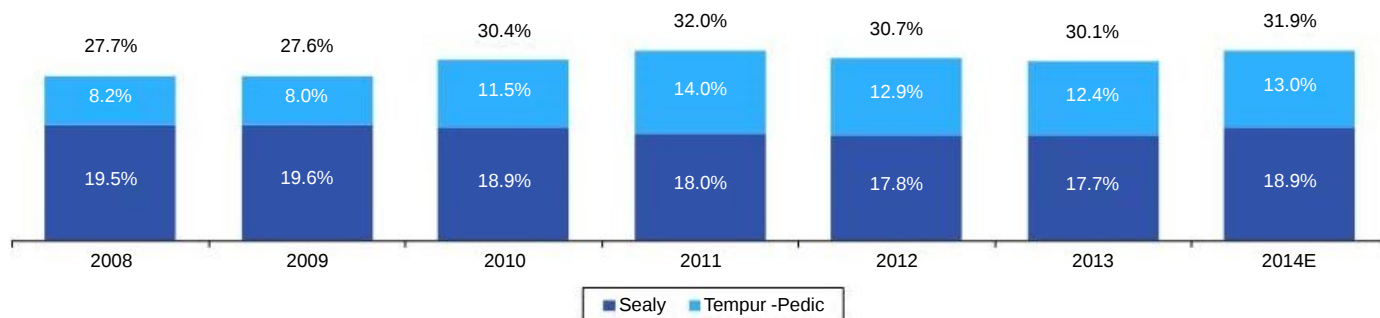
D.F. King & Co., Inc.  
Mail: 48 Wall Street, 22nd Floor, New York, NY 10005  
Stockholders Call Toll Free: (877) 283-0319  
Banks and Brokers Call Collect: (212) 269-5550  
Email: [tpx@dfking.com](mailto:tpx@dfking.com)





# Well Positioned For the Future

## U.S. Bedding Market Share <sup>(1)</sup>



Note 1: Represents percentage of bedding shipments. Information for 2008-2013 market share is based on estimates from Furniture Today. Information for 2014 market share is based on management estimates.

# Experienced Tempur Sealy Board of Directors

Name	Year Joined Board	Biography
<b>Evelyn S. Dilsaver</b>	2009	<ul style="list-style-type: none"> <li>◆ Former CEO and President of Charles Schwab Investment Management</li> <li>◆ Serves on the Board of Directors at Aeropostale, Inc., Health Equity, Inc. and Blue Shield of California</li> </ul>
<b>Francis A Doyle</b>	2003	<ul style="list-style-type: none"> <li>◆ CEO and President of Connell Limited Partnership</li> <li>◆ Previously a partner at PricewaterhouseCoopers LLP</li> <li>◆ Serves on the Board of Directors at Liberty Mutual Holding Company, Inc. and Eversource Energy (formerly Northeast Utilities)</li> </ul>
<b>John A. Heil</b>	2008	<ul style="list-style-type: none"> <li>◆ Served as Co-COO and President, Global Pet Supplies of Spectrum Brands, Inc.</li> <li>◆ Former President and CEO of United Pet Group and held various executive management positions at H.J. Heinz Company</li> <li>◆ Serves on the Board of Directors of VCA Antech, Inc.</li> </ul>
<b>Peter K. Hoffman</b>	2006	<ul style="list-style-type: none"> <li>◆ Former President, Global Grooming for P&amp;G</li> <li>◆ Held various executive management positions within The Gillette Company and P&amp;G including President, Global Blades &amp; Razors; President, Duracell North Atlantic; and President, Braun North America</li> </ul>
<b>Sir Paul Judge</b>	2004	<ul style="list-style-type: none"> <li>◆ Chairman of the Royal Society of Arts, Manufactures and Commerce, Deputy Chairman of the American Management Association and President of the United Kingdom Chartered Management Institute</li> <li>◆ Led the buyout of certain food operations from Cadbury Schweppes to form Premier Brands, becoming its Chairman</li> <li>◆ Serves on the Board of Abraaj Capital of Dubai. Prior Director positions include Standard Bank Group Ltd of Johannesburg and Schroder Income Growth Fund plc, and as a member of the Advisory Board for Barclays Private Bank</li> </ul>
<b>Nancy F. Koehn</b>	2004	<ul style="list-style-type: none"> <li>◆ Professor of Business Administration at Harvard Business School since 2001</li> <li>◆ Business 2.0 named Ms. Koehn one of 19 leading business gurus in the US</li> <li>◆ Author of several business related books and case studies, including Brand New: How Entrepreneurs Earned Consumers' Trust from Wedgewood to Dell</li> </ul>
<b>Christopher A. Masto</b>	2002	<ul style="list-style-type: none"> <li>◆ Co-founder and Vice Chairman of Friedman Fleischer &amp; Lowe, LLC</li> <li>◆ Previously a management consultant with Bain &amp; Company and investment banker with Morgan Stanley</li> </ul>
<b>P. Andrews McLane</b>	2002	<ul style="list-style-type: none"> <li>◆ Previously served as Senior Managing Director, Head of Financial Services and Consumer Group and a member of the Executive Committee at TA Associates. He retired from TA Associates in 2008 and became a Senior Adviser to the firm</li> <li>◆ Primarily focused on buyouts and leveraged recapitalizations of companies with the consumer, financial services and business services sectors</li> </ul>
<b>Lawrence J. Rogers</b>	2014	<ul style="list-style-type: none"> <li>◆ Prior to acquisition, served as CEO and President of Sealy Corporation</li> <li>◆ Previously held several executive management positions within Sealy, including President, Sealy International, President, North America, and President of Sealy Canada</li> </ul>
<b>Mark A. Sarvary</b>	2008	<ul style="list-style-type: none"> <li>◆ CEO and President of Tempur Sealy International since August 2008</li> <li>◆ Previously Industrial Partner at CVC Capital Partners, President of Campbell Soup Company's North America division and Pepperidge Farm division, CEO of J. Crew Group and President of Nestlé Stouffer's Frozen Food division</li> </ul>
<b>Robert B. Trussell Jr.</b>	2002 <sup>(1)</sup>	<ul style="list-style-type: none"> <li>◆ Served as CEO of the Company or its predecessor from 2000-2006 and previously served as President of the Company or its predecessor from 1992-2000</li> <li>◆ General partner of several racing limited partnerships that owned racehorses in England, France and the U.S.</li> </ul>

Note 1: Tempur Sealy entity was formed in 2002, so this year is when Mr. Trussell became a director / CEO of that entity.

# Use of Non-GAAP Financial Measures

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In this investor presentation and certain of its press releases and SEC filings, the Company provides information regarding adjusted net income, adjusted earnings per share, earnings before interest, taxes, depreciation and amortization ("EBITDA"), adjusted EBITDA and consolidated funded debt and consolidated funded debt less qualified cash, Tempur North America adjusted operating income and operating margin, adjusted operating expenses, adjusted operating income and operating margin and free cash flow, which are not recognized terms under U.S. Generally Accepted Accounting Principles ("GAAP") and do not purport to be alternatives to net income as a measure of operating performance or total debt. Because not all companies use identical calculations, these presentations may not be comparable to other similarly titled measures of other companies.

## **Adjusted Net Income/Adjusted EPS**

A reconciliation of adjusted net income and adjusted earnings per share is provided on slide 51. Management believes that the use of these non-GAAP financial measures provides investors with additional useful information with respect to the impact of various costs associated with the Sealy acquisition and the disposal of the three U.S. innerspring component facilities and financing costs incurred in connection with the amendment and refinancing of our senior secured credit facility in 2014 and 2013, other income related to certain other non-recurring items, including income from a partial settlement of a legal dispute, and adjustment of taxes to a normalized rate related to the aforementioned items and other discrete income tax events.

## **EBITDA/Adjusted EBITDA**

A reconciliation of EBITDA and adjusted EBITDA from the Company's net income and a reconciliation of total debt to consolidated funded debt and consolidated funded debt less qualified cash are provided on slides 52 and 53. Management believes that the use of EBITDA and adjusted EBITDA provides investors with useful information with respect to the terms of the Company's senior secured credit facility and the Company's compliance with key financial covenants.

For more information regarding adjusted EPS, adjusted EBITDA and other terms used in the Company's senior secured facility, please refer to the Company's SEC filings.

## **Tempur North America Adjusted Operating Income and Margin Reconciliation**

A reconciliation of Tempur North America GAAP operating income and operating margin to adjusted operating income and operating margin, which are GAAP operating income and GAAP operating margin less certain corporate expenses, is provided on slide 54. Management believes that the use of these non-GAAP financial measures provides investors with additional useful information with respect to Tempur North America's operating performance excluding the impact of certain corporate expenses.

## **Adjusted Operating Expenses**

A reconciliation of GAAP operating expenses to adjusted operating expenses, which is GAAP operating expenses less integration and financing costs, is provided on slide 55. Management believes that the use of this non-GAAP financial measure provides investors with additional useful information with respect to the Company's operating performance and initiative to deleverage operating expenses during 2015-2018. The reconciliation provides information on the methodology used to present operating expenses, including the exclusion of integration and financing costs related to the Sealy acquisition.

## **Adjusted Operating Income and Margin**

A reconciliation of GAAP operating income and operating margin to adjusted operating income and operating margin, which are GAAP operating income and GAAP operating margin less integration and financing costs, is provided on slide 56. Management believes that the use of these non-GAAP financial measures provides investors with additional useful information with respect to the Company's operating income and margin performance excluding the impact of integration and financing costs related to the Sealy acquisition.

# 2014 Adjusted EPS Reconciliation

## 2013 and 2014 Adjusted EPS

<i>(in millions, except per share amounts)</i>	Year Ended December 31, 2013	Year Ended December 31, 2014
<b>Net income</b>	\$ 78.6	\$ 108.9
Plus:		
Loss on disposal of business, net of tax <sup>(1)</sup>	--	16.7
Transaction costs, net of tax <sup>(2)</sup>	13.2	--
Integration costs, net of tax <sup>(2)</sup>	37.2	30.6
Financing costs, net of tax <sup>(3)</sup>	6.5	3.4
Other income, net of tax <sup>(4)</sup>	--	(11.3)
Adjustment of taxes to normalized rate <sup>(5)</sup>	10.9	16.3
Adjusted net income	<u>\$ 146.4</u>	<u>\$ 164.6</u>
<b>Earnings per share, diluted</b>	\$ 1.28	\$ 1.75
Loss on disposal of business, net of tax <sup>(1)</sup>	--	0.27
Transaction costs, net of tax <sup>(2)</sup>	0.21	--
Integration costs, net of tax <sup>(2)</sup>	0.60	0.49
Financing costs, net of tax <sup>(3)</sup>	0.11	0.05
Other income, net of tax <sup>(4)</sup>	--	(0.18)
Adjustment of taxes to normalized rate <sup>(5)</sup>	0.18	0.27
Adjusted earnings per share, diluted	<u>\$ 2.38</u>	<u>\$ 2.65</u>
Diluted shares outstanding	<u>61.6</u>	<u>62.1</u>

Note: 2013 includes Sealy from March 18, 2013 to December 31, 2013, while 2014 includes Sealy for the whole year and accordingly this information may not be comparable.

Note 1: Loss on disposal of business represents costs associated with the disposition of the three U.S. innerspring component facilities and related equipment.

Note 2: Transaction and integration represents costs, including legal fees, professional fees and other charges to align the businesses related to the Sealy acquisition.

Note 3: Financing costs represent costs incurred in connection with the amendment and refinancing of our senior secured credit facility in 2014 and 2013, respectively.

Note 4: Other income includes certain other non-recurring items, including income from a partial settlement of a legal dispute.

Note 5: Adjustment of taxes to normalized rate represents adjustments associated with the aforementioned items and other discrete income tax events.

# Adjusted EBITDA Reconciliation

## 2013 and 2014 Adjusted EBITDA

<i>(in millions)</i>	Year Ended December 31, 2013 <sup>(1)</sup>	Year Ended December 31, 2014
Net income attributable to Tempur Sealy International, Inc.	\$ 75.6	\$ 108.9
Interest expense	133.2	91.9
Income taxes	39.0	64.9
Depreciation & amortization	98.6	89.7
EBITDA	<u>\$ 346.4</u>	<u>\$ 355.4</u>
Adjustments for financial covenant purposes:		
Transaction costs <sup>(2)</sup>	25.2	—
Integration costs <sup>(2)</sup>	15.3	40.3
Financing and Refinancing charges <sup>(3)</sup>	2.4	1.3
Non-cash compensation <sup>(4)</sup>	5.8	—
Restructuring and impairment related charges <sup>(5)</sup>	7.8	—
Loss on disposal of business and discontinued operations <sup>(6)</sup>	0.6	23.2
Other <sup>(7)</sup>	7.6	(15.6)
Adjusted EBITDA	<u>\$ 411.1</u>	<u>\$ 404.6</u>

Note 1: 2013 is presented according to the methodology used for the Company's senior secured facilities and is based on the mathematical combination of the Company's historical financial results for the twelve months ended December 31, 2013 and Sealy's historical financial results for the pre-acquisition period from December 3, 2012 through March 3, 2013.

Note 2: Transaction and integration represent costs related to the Sealy acquisition, including legal fees, professional fees and other charges to align the businesses.

Note 3: Financing charges represent costs incurred in connection with the amendment of our senior secured credit facility and refinancing charges represent costs associated with debt refinanced by Sealy prior to the Sealy acquisition.

Note 4: Non-cash compensation represents costs associated with various share-based awards.

Note 5: Restructuring and impairment represents costs related to restructuring the Tempur Sealy business and asset impairment costs recognized by Sealy prior to the Sealy acquisition.

Note 6: Loss on disposal of business represents costs associated with the disposition of the three U.S. innerspring component production facilities and related equipment and discontinued operations represents losses from Sealy's divested operation prior to the Sealy acquisition.

Note 7: Other income in 2014 includes certain other non-recurring items, including income from a partial settlement of a legal dispute.

# Debt Reconciliation and Leverage Ratio Calculation

## Reconciliation of Total Debt to Consolidated Funded Debt Less Qualified Cash

<i>(in millions, except ratio)</i>	<b>As of December 31, 2014</b>
Total debt	\$ 1,602.3
Plus:	
Letters of credit outstanding	18.2
Consolidated funded debt	<u>1,620.5</u>
Less:	
Domestic qualified cash <sup>(1)</sup>	25.9
Foreign qualified cash <sup>(1)</sup>	21.9
Consolidated funded debt less qualified cash	<u>\$ 1,572.7</u>
Adjusted EBITDA	<u>\$ 404.6</u>
Consolidated funded debt less qualified cash to Adjusted EBITDA <sup>(2)</sup>	<u>3.89 times</u>

Note: For more details regarding consolidated funded debt, consolidated funded debt less qualified cash and adjusted EBITDA, please refer to the Company's SEC filings.

Note 1: Qualified cash as defined in the Company's senior secured credit facility equals 100.0% of unrestricted domestic cash plus 60.0% of unrestricted foreign cash. For purposes of calculating leverage ratios, qualified cash is capped at \$150.0 million.

Note 2: The ratio of consolidated debt less qualified cash to adjusted EBITDA was 3.89 times, within the Company's covenant, which requires this ratio to be less than 4.75 times at December 31, 2014.

# Tempur North America Adjusted Operating Margin Reconciliation

## Tempur North America Adjusted Operating Income And Operating Margin

### Tempur North America 2013 - 2014 *(in millions, except percentage amounts)*

	Year Ended December 31, 2013	Year Ended December 31, 2014
Operating Income, Tempur North America segment	\$67.6	\$84.9
Tempur North America Net Sales	910.0	993.2
<b>Operating Margin (GAAP)</b>	<b>7.4%</b>	<b>8.5%</b>
Corporate expenses included in Tempur North America segment	83.0	75.5
Adjusted Operating Income less corporate expenses	\$150.6	\$160.4
Tempur North America Net Sales	910.0	993.2
<b>Adjusted Operating Margin</b>	<b>16.5%</b>	<b>16.1%</b>

### Tempur North America 2H 2013 vs. 2H 2014 *(in millions, except percentage amounts)*

	Six Months Ended December 31, 2013	Six Months Ended December 31, 2014
Operating Income, Tempur North America segment	\$41.5	\$65.5
Tempur North America Net Sales	468.6	542.9
<b>Operating Margin (GAAP)</b>	<b>8.9%</b>	<b>12.1%</b>
Corporate expenses included in Tempur North America segment	32.7	40.2
Adjusted Operating Income less corporate expenses	\$74.2	\$105.7
Tempur North America Net Sales	468.6	542.9
<b>Adjusted Operating Margin</b>	<b>15.8%</b>	<b>19.5%</b>



# Adjusted Operating Expenses

## 2014 Adjusted Operating Expenses

### Tempur Sealy International, Inc.

(in millions, except percentage amounts)

Year Ended  
December 31,  
2014

Consolidated net sales	\$2,989.8
Selling and marketing expenses	619.9
General, administrative and other expenses	280.6
Operating Expenses	900.5
<b>Operating Expenses as a % of Consolidated Net Sales</b>	<b>30%</b>
Operating Expenses	\$900.5
Less: Integration and financing costs <sup>(1)</sup>	43.8
Adjusted Operating Expenses	\$856.7
<b>Adjusted Operating Expenses as a % of Consolidated Net Sales</b>	<b>29%</b>

Note 1: Integration costs represents costs, including legal fees, professional fees and other charges to align the businesses related to the Sealy acquisition. Financing costs represent costs incurred in connection with the amendment of our senior secured credit facility.

# Adjusted Operating Margin

## 2014 Adjusted Operating Income and Margin

### Tempur Sealy International, Inc.

(in millions, except percentage amounts)

	Year Ended December 31, 2014
Operating Income, Tempur Sealy International, Inc.	\$276.3
Consolidated net sales	2,989.8
<b>Operating Margin (GAAP)</b>	<b>9.2%</b>
Operating Income, Tempur Sealy International, Inc.	\$276.3
Plus: Integration and financing costs <sup>(1)</sup>	43.8
Adjusted Operating Income	\$320.1
Consolidated net sales	2,989.8
<b>Adjusted Operating Margin (Non-GAAP)</b>	<b>10.7%</b>

Note 1: Integration costs represents costs, including legal fees, professional fees and other charges to align the businesses related to the Sealy acquisition. Financing costs represent costs incurred in connection with the amendment of our senior secured credit facility.

## Constant Currency Information

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In this investor presentation the Company refers to, and in other press releases and other communications with investors the Company may refer to, net sales or earnings or other historical financial information on a “constant currency basis” or “excluding FX”, which is a non-GAAP financial measure. These references to constant currency basis do not include operational impacts that could result from fluctuations in foreign currency rates. To provide information on a constant currency basis, the applicable financial results are adjusted based on a simple mathematical model that translates current period results in local currency using the comparable prior year period’s currency conversion rate. This approach is used for countries where the functional currency is the local country currency. This information is provided so that certain financial results can be viewed without the impact of fluctuations in foreign currency rates, thereby facilitating period-to-period comparisons of business performance. The information presented on a constant currency basis is not recognized under GAAP, and this information is not intended as a substitute for reviewing information presented on a GAAP basis.