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) October 24, 2006

# TEMPUR-PEDIC INTERNATIONAL INC. <br> (Exact name of registrant as specified in its charter) 

Delaware
(State or other jurisdiction of incorporation)

001-31922
(Commission File Number)

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):
$\square \quad$ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
$\square \quad$ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
$\square \quad$ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
$\square \quad$ 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

Attached as Exhibit 99.1 to this report and furnished under this Item 7.01 are copies of slides used in investor presentations by Tempur-Pedic International Inc.
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

## Exhibit Description

$\overline{99.1}$ Tempur-Pedic International Inc. October 2006 Investor 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: October 24, 2006
Tempur-Pedic International Inc.
By: /s/ H. Thomas Bryant
Name: H. Thomas Bryant
Title: President and Chief Financial Officer

## Investor Presentation October 2006

## Forward-Looking Statements

This presentation may contain "forward-looking statements" which include information concerning the Company's plans, objectives, goals, strategies, future revenues or performance, capital expenditures, 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, initiatives to increase sales, the rollout and market acceptance of new products, initiatives to generate productivity improvements and reduce costs, our investments to increase our global brand awareness, and management's expectations regarding its net sales, GAAP net income and capital expenditures for 2006, 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 and consumer contidence; 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 further penetrate the US retail furniture channel, including the timing of opening or expanding within large retail accounts; 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; rising commodity costs; 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 forwardlooking 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.

## Business Review

- Leading producer of premium mattresses and pillows
- Proprietary formula and manufacturing process
- \#1 visco-elastic market share
- Highest profitability in our industry
- Global sales under the "TEMPUR®" and "Tempur-Pedic®" trademarks
- Truly international with sales in over 70 countries through 4 diverse channels
- Premium segment (>\$1,000) of $\sim \$ 12$ billion global wholesale mattress market
- Believe premium represents $\sim 50 \%$ of the U.S. market
- Fastest-growing segment
- Tempur-Pedic products provide greater overall comfort and better quality sleep
- Temperature-sensitive and contours more naturally to the body
- Recommended by more than 25,000 healthcare professionals


## Seasoned Management Team

| Name | Position | Prior Experience |
| :--- | :--- | :--- |
| Tom Bryant | CEO \& President | CEO, Stairmaster Sports \& Medical Products <br> President, Dunlop Maxfli <br> Johnson \& Johnson (13 years) |
| Dale Williams | CFO | CFO, Honeywell Control Products <br> CFO, Saga Systems <br> CFO, GE Information Services; (15 years at GE) |
| Matt Clift | EVP, Operations | VP/GM Lexmark International <br> Lexmark/IBM (23 years) |
| Rick Anderson | EVP, North America | VP, Gillette <br> Gillette/P\&G (23 years) |

## Product Overview

## Tempur-Pedic Swedish Sleep System®

## Therapeutic Benefits

- Excellent Pressure \& Pain Management
- Manages pressure over the entire mattress surface
- Open Cell Technology
- Unlike water, air and foam products, TEMPUR® material promotes airflow
- Body Conforming \& Support
- Neck and spine supported in the correct anatomical position
- Safe and Healthy
- Antimicrobial and hypoallergenic
- Resistant to dust mites, household allergens and mold
- Maintenance Free
- Never needs to be turned or serviced


## Diversity Across Products

■ 9M06 Sales: \$479.1 million (70\% of Total)
■ Queen Retail Price Point: \$1,199 - \$5,499

Pillows

- 9M06 Sales: \$87.5 million (12\% of Total)
- Retail Price: \$70 - \$165


Adjustable

- 9M06 Sales: \$121.9 million (18\% of Total)

Beds / Other

- Retail Price:
- Adjustable Beds: \$1,300 - \$2,800
- Other: \$35 - \$150



# Vertically Integrated Business Model 

## Manufacturing Facilities

Denmark (500K sq ft)


Duffield, VA (500K sq ft)


- Global, vertically integrated manufacturer
- State of the art, highly automated, ISO-certified plants
- >\$200 million invested

Albuquerque, NM (750K sq ft)


## Sleep In The News

## Sleep In The News

"Sleep for longer if you want to stay healthy"

## Who Needs Sleep?

Reãader's Diges
Sleep, Snoring and the Blues
-By SANJAY GUPTA
Not getting enough sleep can make you fat -By Madelyn Fernstrom, Ph.D., CNS $\square$
"Companies try to help workers sleep more"
Sleep Deprivation: New Concerns; Four More Studies Shbtealth ericis News
Don't lose sleep buying the perfect mattress
-By Janice Lieberman

## When the gods of sleep have desertedyvo

## Sleep In The News

U.S. Sleep Aid Industry Estimated To Be >\$3B Annually ... And Growing!



## Flurazepam

Halcion
triazolam tablets, USP

Pronunciation: flure AH zeh pam

## Wyeth*

SERENITOL ${ }^{\circ}$ ?
sonata (ultpropye

Sweet Dreams. -
ProSom ${ }^{\text {TM }}$

Excedinivin
Yor Tin Win Senthages


QUAZEPAM



ORozerem.
ramelteon traveats
Tumesta
Tempur-Pedic is not sponsored by, associated with or affiliated with any of the entities depicted above.

## Better Mattress ... Better Sleep!

- "Sleep in the News" is Fueling Consumer Interest and Involvement in Sleep Related Products and Categories
- This is having an impact on all consumers, but especially Baby-Boomers
- Current Shift to Premium and Specialty Bedding Validates the Higher Level of Involvement


## Brand Building

## Overview of the Tempur-Pedic® Brand

- An assertively forward-looking image for innovative technology and products that create customers who are enthusiastic and passionate about our products
- Positioned as a high-tech superior proprietary product with benefits not provided by conventional bedding
- Differentiated from the competition - our "less is more" design provides weightless comfort and self-adjustability for every sleeper on a molecular level - not a mechanical or electrical product and no switches, motors, pumps, bladders or hard steel springs
- Supported with a massive advertising and brand-building program that drives consumer awareness


## Cost Effective Advertising to Build Global Brand

Tempur-Pedic's national advertising campaign drives over 4.3 billion consumer "impressions" per month

|  | - > 2.8 billion "impressions"per month |
| :---: | :---: |
| Television | - High profile events: The Apprentice, Oscar's, Emmy's, Grammy's |
|  | CNN DNemvery <br> abc family |
| Magazines | - > 900 million "impressions"per month |
|  | Henc iquide Forbes Newsweek \|U.SNews |
|  | - > 600 million "impressions"per month |
| Radio | Includes national spots on such shows as: The Radio Factor with Bill O'Reilly, Westwood One, Dr. Laura, Dr. Joy Browne and WOR with John Gambling |
|  | ■ > 80 million "impressions" per month |
| Newspapers | THE WALL STTREET JOURNAL |

## Continue to Build Global Brand

Total Brand Awareness: 78\% up from 60\% in two years


## Customer Passion

- Almost all of our customers have recommended Tempur-Pedic®, with about two-thirds reporting that they recommended Tempur-Pedic one to five times.
- $42 \%$ of retail customers report that someone purchased a Tempur-Pedic mattress as a result of their recommendation.



## Mattresses Key Growth Driver

Mattress Revenues


## Growing Net Sales and Profitability



[^0]section of the Company's Form 10K for 2005. For a dIscu
Company's press release for the third quarter of 2006.

## Cash Flow from Operations

## Operating Cash Flows

(\$ in millions)

- Growth of operating cash flows
- Business model generates significant operating cash flows
- Identified key initiatives to continue to improve cash flow



## Investment Highlights

- \#1 In The Fast Growing Viscoelastic Market ${ }^{1}$
- \#1 In The Premium Mattress Market ${ }^{1}$

■ \#1 In The Premium Pillow Market ${ }^{1}$
■ \#1 In International Operations of All U.S. Bedding Manufacturers²

- \#1 In The Industry For Profitability ${ }^{3}$
- \#1 In U.S. Consumer Referrals for Mattresses ${ }^{4}$
- \#1 In Retail Sales And Profit Per Sq Ft ${ }^{4}$


## Investor Presentation <br> October 2006


[^0]:    1. For a complete discussion of the Company's financial performance for 2005, please refer to the Management's Discussion and Analysis section of the Company's Form 10K for 2005. For a discussion of the Company's performance for 9 M 2006, please refer to the
