

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

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

Date of report (Date of earliest event reported) **November 11, 2010**

TEMPUR-PEDIC INTERNATIONAL INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-31922

(Commission File Number)

33-1022198

(I.R.S. Employer Identification No.)

**1713 Jaggie Fox Way
Lexington, Kentucky 40511**

(Address of principal executive offices) (Zip Code)

(800) 878-8889

(Registrant's telephone number, including area code)

N/A

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

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

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01. Regulation FD Disclosure

On November 11, 2010, Tempur-Pedic International Inc. will host a webcast of its Investor Day. Attached as Exhibit 99.1 to this report and furnished under this Item 7.01 are copies of slides used by Tempur-Pedic International Inc. for the investor presentation at its Investor Day.

The information in this report (including Exhibit 99.1) shall not be deemed to be “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits

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

SIGNATURES

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

Date: November 12, 2010

Tempur-Pedic International Inc.

By: /s/ DALE E WILLIAMS

Name: Dale E. Williams

Title: Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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



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

Barry Hytinen
Senior Vice President



Agenda

Welcome / Agenda

Barry Hytinen

Corporate Overview

Mark Sarvary

Financial Overview

Dale Williams

Q&A

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

November 11, 2010

Forward-Looking Statements

This presentation may contain "forward-looking statements," within the meaning of federal securities laws, which include information concerning the Company's plans, objectives, goals, strategies, future revenues or performance, financing needs and other information that is not historical information. When used in this presentation, the words "estimates," "expects," "anticipates," "projects," "plans," "intends," "believes," and variations of such words or similar expressions are intended to identify forward-looking statements. All forward-looking statements, including without limitation, the Company's expectations regarding improving the quality and range of existing products; increasing brand awareness and brand consideration; the impact of the introduction of new products, including the TEMPUR-Cloud™ Collection; international and domestic growth opportunities; increasing market share; improving gross margin; expanding and improving distribution channels; manufacturing capacity and utilization; consumer preferences and behavior; the effectiveness of new cost structures; meeting financial obligations; cost and operating expense reductions and cash flow generation; and the Company's expectations for growth of sales, margins, and earnings for 2011 and beyond are based upon current expectations and beliefs and various assumptions. There can be no assurance that the Company will realize these expectations or that these beliefs will prove correct.

There are a number of risks and uncertainties that could cause actual results to differ materially from the forward-looking statements contained in this presentation. Numerous factors, many of which are beyond the Company's control, could cause actual results to differ materially from those expressed as forward-looking statements. These risk factors include general economic and industry conditions, particularly in the retail sector, as well as consumer confidence and the availability of consumer financing; the Company's ability to reduce expenses to align with reduced sales levels; uncertainties arising from global events; the effects of changes in foreign exchange rates on the Company's reported earnings; consumer acceptance of the Company's products; industry competition; the efficiency and effectiveness of the Company's advertising campaigns and other marketing programs; the Company's ability to increase sales productivity and expand distribution channels; the Company's dependence on its significant customers; the Company's ability to address issues in certain underperforming international markets; the Company's ability to continuously improve its product line, maintain efficient, timely and cost-effective production and delivery of its products, and manage its growth; changes in foreign tax rates; rising commodity costs; the Company's ability to retain members of its senior management team; the effects of increased interest rates; the market price for the Company's common stock prevailing from time to time; and the nature of other investment opportunities presented to the Company from time to time.

Additional information concerning these and other risks and uncertainties are discussed in the Company's filings with the Securities and Exchange Commission, including without limitation the Company's annual report on Form 10-K under the headings "Special Note Regarding Forward-Looking Statements" and "Risk Factors". Any forward-looking statement speaks only as of the date on which it is made, and the Company undertakes no obligation to update any forward-looking statements for any reason, including to reflect events or circumstances after the date on which such statements are made or to reflect the occurrence of anticipated or unanticipated events or circumstances.

Note Regarding Trademarks, Trade Names and Service Marks:

Tempur, Tempur-Pedic, The DeluxeBed by Tempur-Pedic, The ClassicBed by Tempur-Pedic, The GrandBed by Tempur-Pedic, The TEMPUR-Cloud Supreme, The TEMPUR-Cloud, The RhapsodyBed by Tempur-Pedic, The AdvantageBed by Tempur-Pedic, The Bella Fina Bed by Tempur-Pedic, The CloudPillow by Tempur-Pedic, The TEMPUR-Cloud Luxe by Tempur-Pedic, The CelebrityBed by Tempur-Pedic, The AlluraBed by Tempur-Pedic, The Sensation, The Sensation Lite, The NeckPillow by Tempur-Pedic, The SymphonyPillow by Tempur-Pedic, The ComfortPillow by Tempur-Pedic, The RhapsodyPillow by Tempur-Pedic are trademarks, trade names or service marks of Tempur-Pedic International Inc. and its subsidiaries. All other trademarks, trade names and service marks in this presentation are the property of their respective owners.

Mark Sarvary
President & Chief Executive Officer

Key Topics

- u Overview Of Tempur-Pedic
- u Industry Update
- u Tempur-Pedic Strategy
- u Sources Of Growth In 2011 And Beyond

Overview Of Tempur-Pedic

Unique Range Of Products Utilizing The Proprietary Pressure Relieving Tempur Material



The
Sensation Mattress
by Tempur®



The **CloudPillow**
by Tempur-Pedic®



The
Advanced Ergo Adjustable Base
by Tempur-Pedic™



The **ComfortPillow**
by Tempur-Pedic®



The
TEMPUR-Cloud™ Supreme



The **Rhapsody Pillow**
by Tempur-Pedic®



The
AdvantageBed
by Tempur-Pedic™



The **NeckPillow**
by Tempur-Pedic™



The
RhapsodyBed
by Tempur-Pedic®

Company Thesis

- u **Established:** Worldwide leader in specialty mattresses and premium mattresses

- ∅ Leader in the \$5B premium segment of the \$13B global mattress market
- ∅ Leader in the fastest growing segments

- u **Differentiated:** Consumer preferred, branded product line

- ∅ Most highly recommended brand by owners, most desired brand by non-owners
- ∅ Over a decade of industry-leading brand advertising, very high level of owner referrals
- ∅ Consumer research at the core of everything we do

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

- ∅ Gross margin 50%+
- ∅ Operating margin 22%+
- ∅ High returns with low cash needs

- u **Growing:** Significant top line growth opportunity

- ∅ 3% U.S. mattress market share, up from 2% last year
- ∅ Intermediate goal of ~7%

2010 Year-To-Date Performance

3rd Quarter Year-To-Date

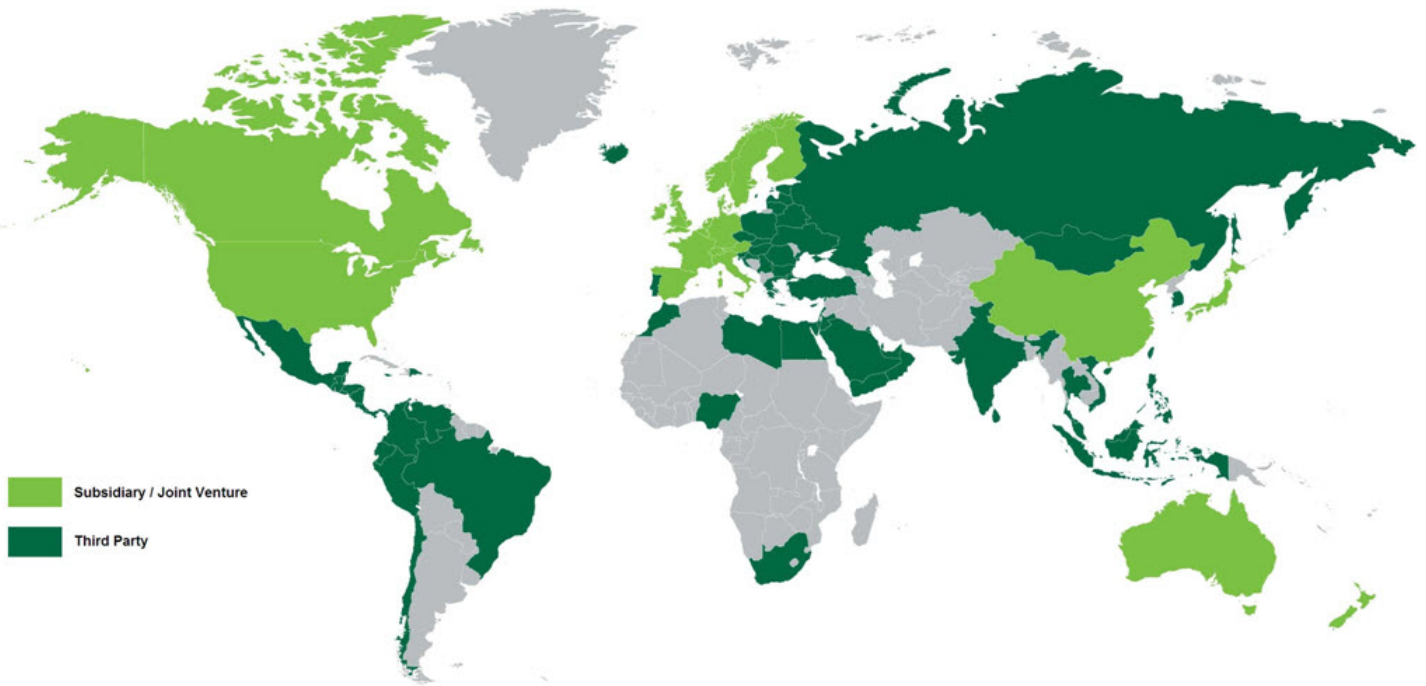
	<u>Actual</u>	<u>Variance to Prior Year</u>
Sales	\$813 M	+39%
Gross Margin	49.7%	+280 bps
Operating Margin	21.4%	+470 bps
Net Income	\$111 M	+98%
EPS	\$1.51	+104%
Shares Repurchased	8.5 million	

For a discussion of the Company's performance, please refer to the Company's 3rd quarter 10Q filing and prior 10K filings.

Management Team In Place to Scale to World's Favorite Mattress Brand

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

Expanding Global Presence



Note: China was converted to a joint venture market effective in the first quarter of 2010. All other light green countries are subsidiary markets.

State-of-the-Art Vertically Integrated Manufacturer

Denmark (500K sq ft)



- u Highly automated, ISO-certified plants
- u > \$200 million invested
- u Significant opportunity to leverage infrastructure (only ~40% utilized)

Virginia (500K sq ft)



New Mexico (800K sq ft)



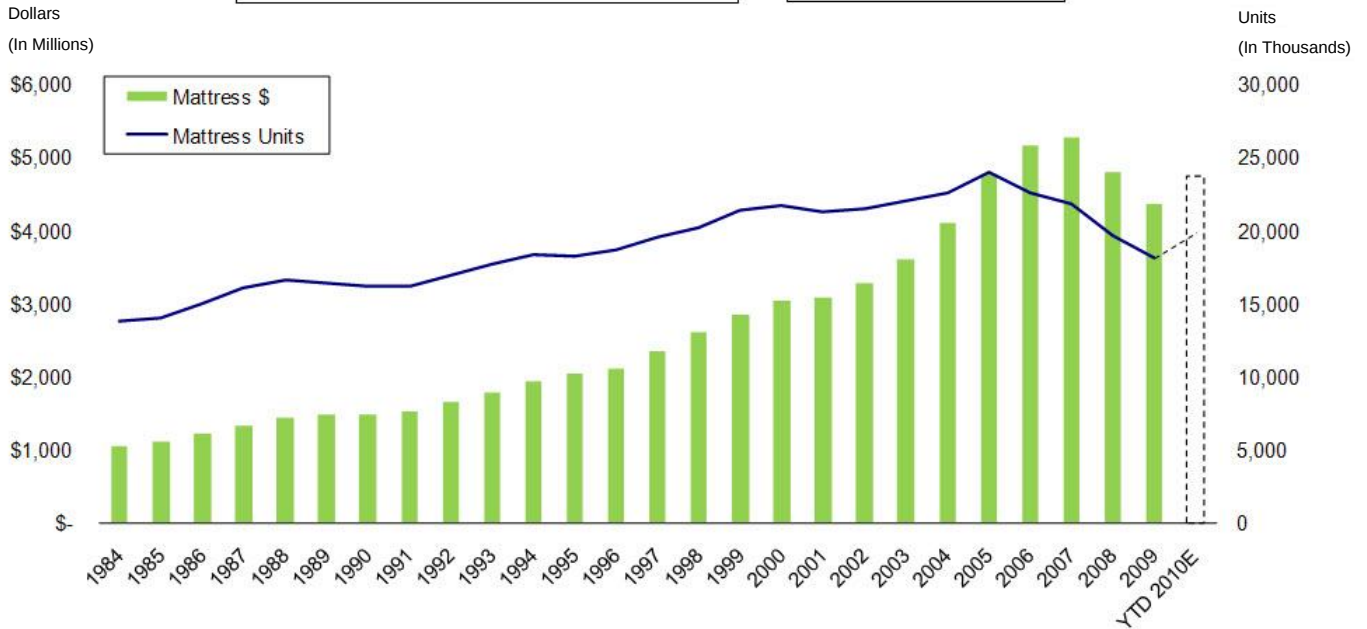
Industry Situational Assessment

- u Mattress industry experiencing growth, but recovery is uneven
- u “Barbell” recovery appears to be playing out, though industry pricing is generally firm
- u Retailers report traffic continues to be below “normal” but “off the bottom”
- u Macro-economic environment progressing, but confidence still relatively weak

After Years Of Decline, We Believe Significant “Pent Up Demand” Exists And Will Benefit Industry Sales For Several Years

US Industry Annual Performance

	'84 - '06	'06 - '09	2010 YTD
\$ CAGR	7.5%	(5.5%)	Sales +8.4%
Unit CAGR	2.3%	(7.0%)	Units +10.3%

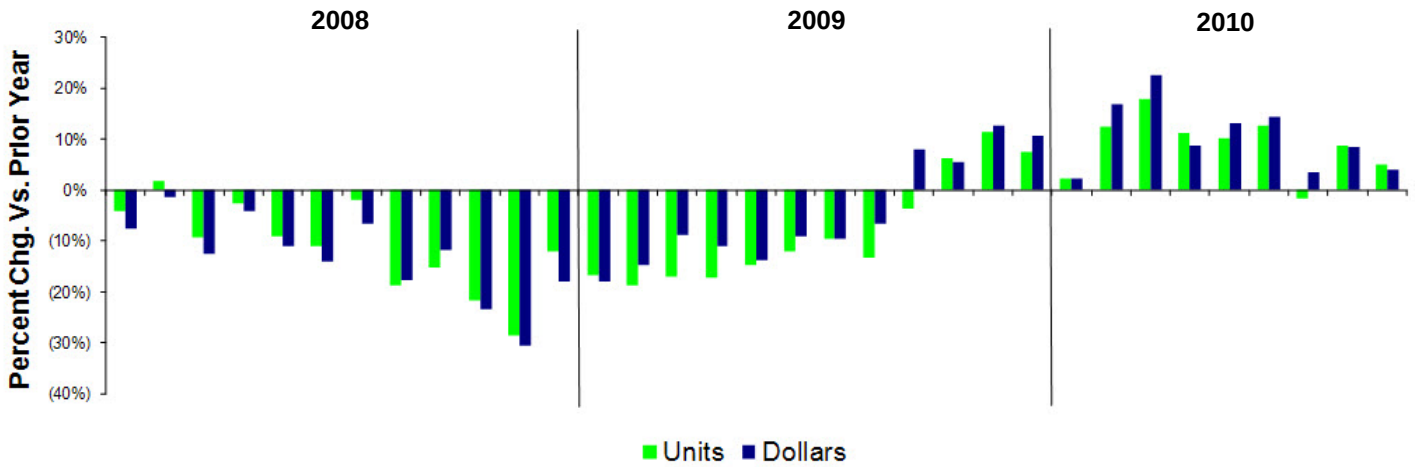


Note 1: 2009 and 2004 Annual ISPA Report of Sales and Trends
 Note 2: Management estimates
 Note 3: YTD 2010E assumes 2010 year-to-date growth rates implied for full year



Industry Growth Has Resumed in 2010, Though “Comps” Are Relatively Easy

ISPA Performance vs. Prior Years by Month



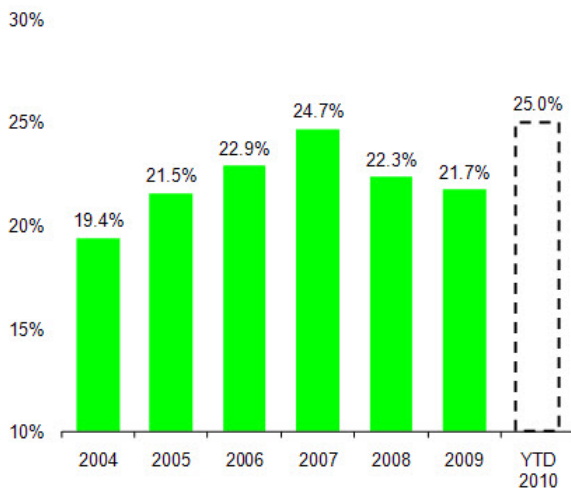
Source: September 2010 ISPA Sales Report

Long-term Secular Shift To Specialty And Premium Has Resumed

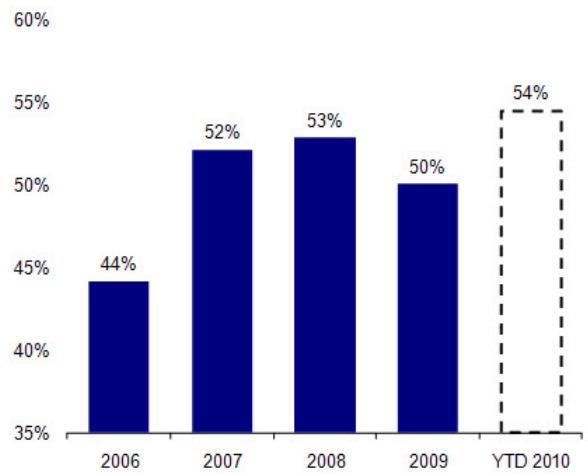
Industry sample year-to-date September 2010 sales performance

- Specialty +30%
- Total Industry +8%

Specialty Share



Premium Share



Source: 2009 ISPA Sales Report, ISPA Bedding Barometer Sep 2010, and management estimates
Note: Premium mattress category defined as \$1,000+



Tempur-Pedic Strategy

Goal

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

Strong Preference For Tempur

- u Voted most comfortable mattress by US consumers
 - Ø Tempur-Pedic 41% vs. Springs 21-29%

- u Highest rating for future purchase intent
 - Ø Tempur-Pedic 26% vs. Springs 8-20%

- u Consumer Reports: #1 Mattress - “Would definitely buy again”

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

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

To achieve our goal we will:

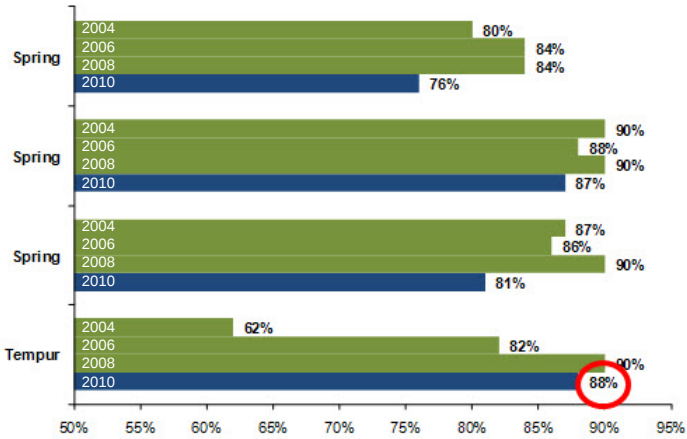
1. Make sure everyone knows they would sleep better on Tempur
2. Make sure there is a Tempur mattress and pillow that appeals to everyone
3. Make sure that Tempur is available to everyone
4. Make sure Tempur continues to deliver the best sleep

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

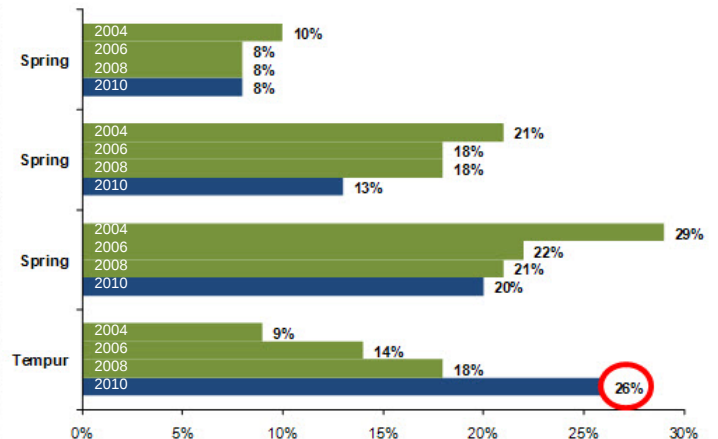
Make Sure Everyone Knows They Would Sleep Better On Tempur

- u Expanding brand awareness leads to significantly improved purchase intent
- u US advertising driving increased brand awareness

US Brand Awareness



US Future Purchase Interest



Source: The 2010 Gallup Consumer Mattress Market Study



Make Sure There Is A Tempur Mattress And Pillow That Appeals To Everyone

- u Product development is based on research

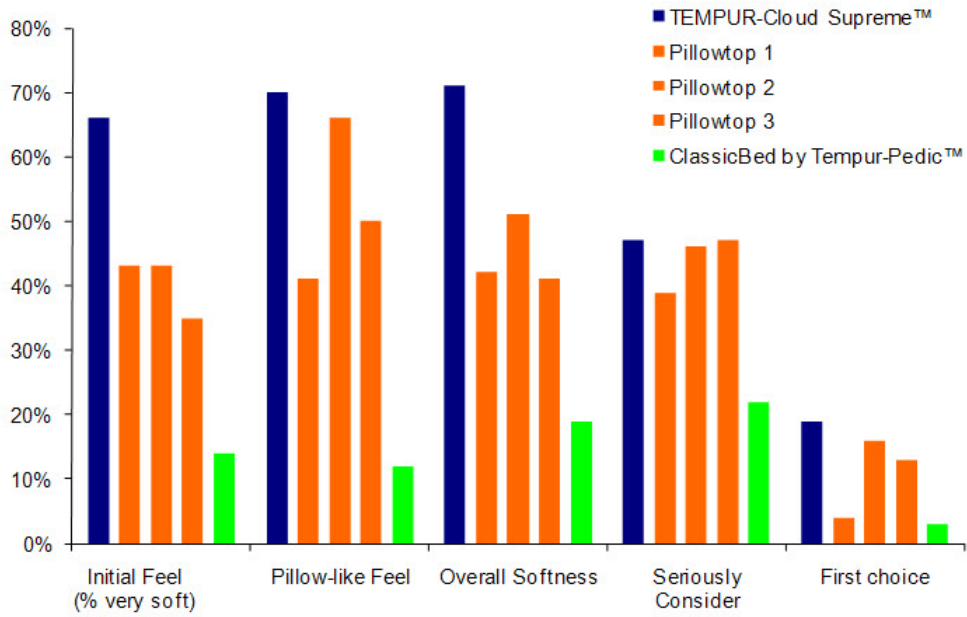
US Mattress Feel Preference - % Consumers Who Prefer

	All Buyers	Future Premium Buyers
Firm	51%	48%
Soft / Medium	49%	52%

- u Traditional Tempur-Pedic beds are perceived as firm by consumers
- u TEMPUR-Cloud™ product concept developed in response

Make Sure There Is A Tempur Mattress And Pillow That Appeals To Everyone

u Cloud developed after utilizing extensive head-to-head research



Better Than Competition

, Different From Classic

Source: 2009 Tempur-Pedic company research
 Note: % of people rating a 6 or 7 on a 7 point scale.



TEMPUR-Cloud™ Collection: Already Our Best Selling Line



The
TEMPUR-Cloud™
\$1,599



The
TEMPUR-Cloud™ Luxe
\$3,599



The
TEMPUR-Cloud™ Supreme
\$2,299

Price reflects Queen mattress

Make Sure There Is A Tempur Mattress And Pillow That Appeals To Everyone

Most successful international product launch



The **Sensation Mattress**
by Tempur®

Building on success of Cloud Collection



The **CloudPillow**
by Tempur-Pedic®

Entry price point Ergo introduced



The **Ergo Adjustable Base**
by Tempur-Pedic™

Make Sure That Tempur Is Available To Everyone

u Distribution gains



- Ø Flagship stores in Japan, China, emerging markets, and selected European markets

u Expanding points of distribution

- Ø North America: potentially 500 - 1,500 incremental doors
- Ø International: potentially 2,000+ incremental doors

Make Sure That Tempur Is Available To Everyone

u Improved brand architecture

TEMPUR [®] COLLECTION	TEMPUR-HD [®] COLLECTION	TEMPUR-Cloud [®] COLLECTION
featuring TEMPUR [®] material on top	featuring TEMPUR-HD [®] material on top	featuring TEMPUR-ES [™] material on top
AdvantageBed (\$1,399) ClassicBed (\$1,699) DeluxeBed (\$2,299) BellaFina Bed (\$2,599)	RhapsodyBed (\$2,899) AlluraBed (\$4,099) GrandBed (\$6,499)	TEMPUR-Cloud™ (\$1,599) TEMPUR-Cloud Supreme (\$2,299) TEMPUR-Cloud Luxe (\$3,599)
Firm Initial Feel Excellent Pressure Relief Very Supportive	Medium Soft initial Feel Ultimate in Pressure Relief Very Supportive	Pillowly Soft initial Feel Uniquely Responsive Very Good Pressure Relief Very Supportive

Tempur-Pedic's unsurpassed SUPPORT Technology is always underneath.

Price reflects Queen mattress

Make Sure That Tempur Is Available To Everyone

u Newly re-launched website

The screenshot shows the Tempur-Pedic website homepage. At the top, there is a navigation bar with the phone number 888-811-5053, links for 'Connect & Share', 'Retailer Locator', and 'FREE Information Kit', and a 'Sign In/Create Account' link next to a 'Cart (0)' indicator. The main header features the Tempur-Pedic logo and a search bar. Below the header is a main banner with the text 'Tempur-Pedic: the most highly recommended bed in America' and a photograph of a diverse group of people walking. A green bar below the banner contains four promotional offers: 'Free shipping' (for orders over \$100), 'Special financing' (36 months on purchases over \$750), 'Free SuprimaPillow' (with two full-size pillows), and 'Ergo savings' (up to \$400 on Ergo adjustable bases). The footer area is divided into three sections: 'FREE Information Kit' with an image of the kit, 'CampusTopper' (a Tempur-Pedic mattress topper for college students) with a 'LEARN MORE' button, and 'Why Tempur-Pedic?' with a 'Shopping Tools' link and a list of benefits: 'Satisfied owners', 'More restful sleep', 'TEMPUR vs memory foam', and 'Buy with confidence'.

Make Sure Tempur Continues To Deliver The Best Sleep

- u Increasing investment in R&D

- u Recent Innovations

- Ø TEMPUR-ES™ material
- Ø Consumer research
- Ø Materials research
- Ø Product characterization
- Ø Sleep research

Sources Of Growth In 2011 And Beyond

Driving Growth - Imperatives For 2011 And Beyond

- ◆ Maintain strong annual sales growth

- ◆ Maintain healthy gross margins and EBIT growth

- ◆ We will invest in those areas that will drive growth
 1. Make sure everyone knows they would sleep better on Tempur
 - Increase awareness and preference in the US, Canada, Europe, and China
 2. Make sure there is a Tempur mattress and pillow that appeals to everyone
 - Develop major new products validated by consumer research

- ◆ While we continue to improve performance in all key areas
 3. Make sure that Tempur is available to everyone
 4. Make sure Tempur continues to deliver the best sleep

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

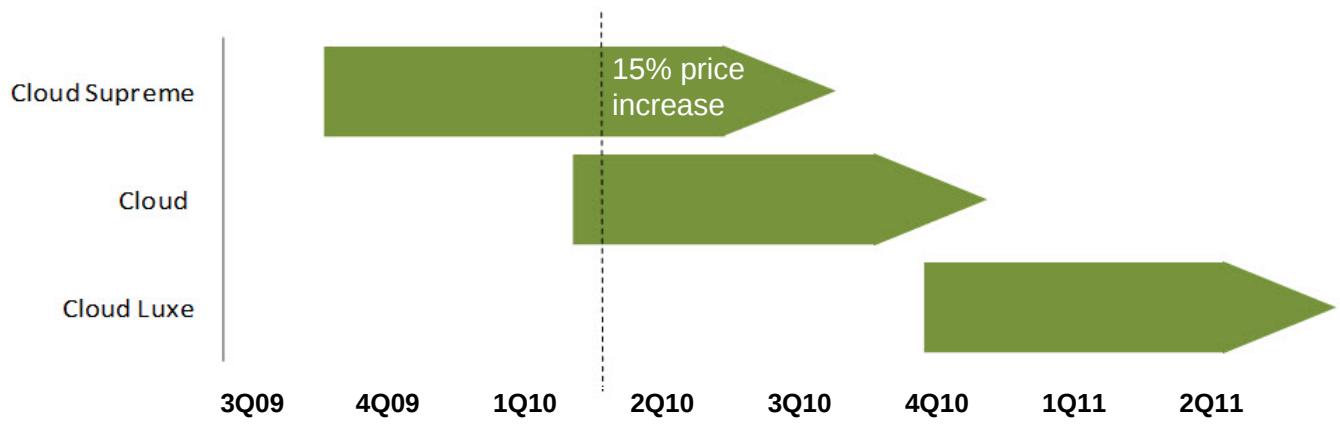
Growth From The North American Segment

North American Growth Strategy

- u Capitalize on Cloud Collection's full potential
- u Improve Ergo Adjustable attach rate
- u Improve and expand product range
- u Continue to invest in advertising to build awareness
- u Continue to invest in sales execution infrastructure
- u Resumption of category growth and secular shift to specialty together with increased preference for Tempur-Pedic
- u Capitalize on Canadian acquisition

Capitalize On The Cloud Collection's Full Potential

- u Generally, new products have a significant ramp following distribution



Note: This timeline is not exact. It is intended for illustrative purposes only.

Expand Ergo Adjustable Base Distribution And Attach Rates

- u 96% overall satisfaction by Ergo System owners
- u Recently extended adjustable product range with entry price point
- u Driving increased Ergo Adjustable Base attach rate



The
Ergo Adjustable Base
by Tempur-Pedic™



The
Advanced Ergo Adjustable Base
by Tempur-Pedic™

New Product Development

- u New products and upgrades will be delivered in 2011



Continue To Advertise

ask me

- u Investment will be maintained at 9%

- u Campaign will evolve to broaden consumer awareness of Tempur-Pedic's product line breadth

- u Will be even more focused on expanding Tempur specific retailer advertising in 2011
 - o Highly successful program in 2010

Sales Execution Infrastructure

One-of-a-kind multichannel consumer marketing and selling strategy

u Sales

- Ø Improved call cycles, increased training and stronger account management
- Ø Retail sales CRM to better track performance versus KPIs

u eCommerce and Direct

- Ø World class selling platform
- Ø Significant consumer database / leads capability
- Ø Improved direct marketing and media strategy

Industry, Specialty, And Tempur Preference

- u ISPA's 2011 sales growth projection is +6%

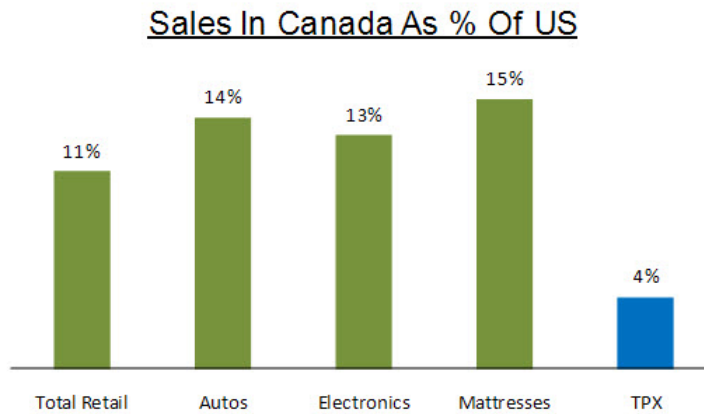
- u Secular shift to specialty has resumed
 - Ø This year, Specialty sales +30% as compared to Innersprings +3%

- u Future purchase intent for Tempur-Pedic now stands at 26%, up from 18% in 2008

- u Tempur-Pedic's share is small, but growing
 - Ø US unit share at ~3%, up from 2% in 2009

Capitalize On Canadian Acquisition

- u Brand awareness is low, so we will invest in advertising
- u Distribution significantly improved in 2010
- u Canada normally represents 10-15% of US sales



- u Large growth opportunity as Tempur is significantly below comparables

Note 1: Total Retail - 2002 Economic Census; Comparison of US and Canada census data

Note 2: Autos - Scotiabank Group, Global Auto Report; September 29, 2010

Note 3: Electronics - 2002 Economic Census; Comparison of US and Canada census data

Note 4: Mattresses - Management estimate based on publicly available data of major mattress competitors with sales in US and Canada

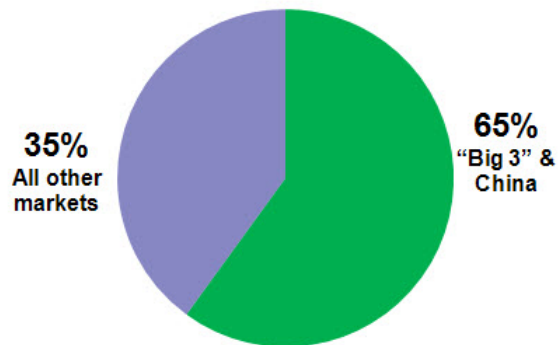
Note 5: TPX - Trailing twelve month

Growth From The International Segment

Significant International Growth Opportunity Exists

- u Over next 5 years, we expect at least \$300 million of International growth
- u Expect 65% of growth will come from four major markets
 - Ø The European “Big 3” (France, Germany, UK) - represents 50% of European Union GDP
 - Ø China

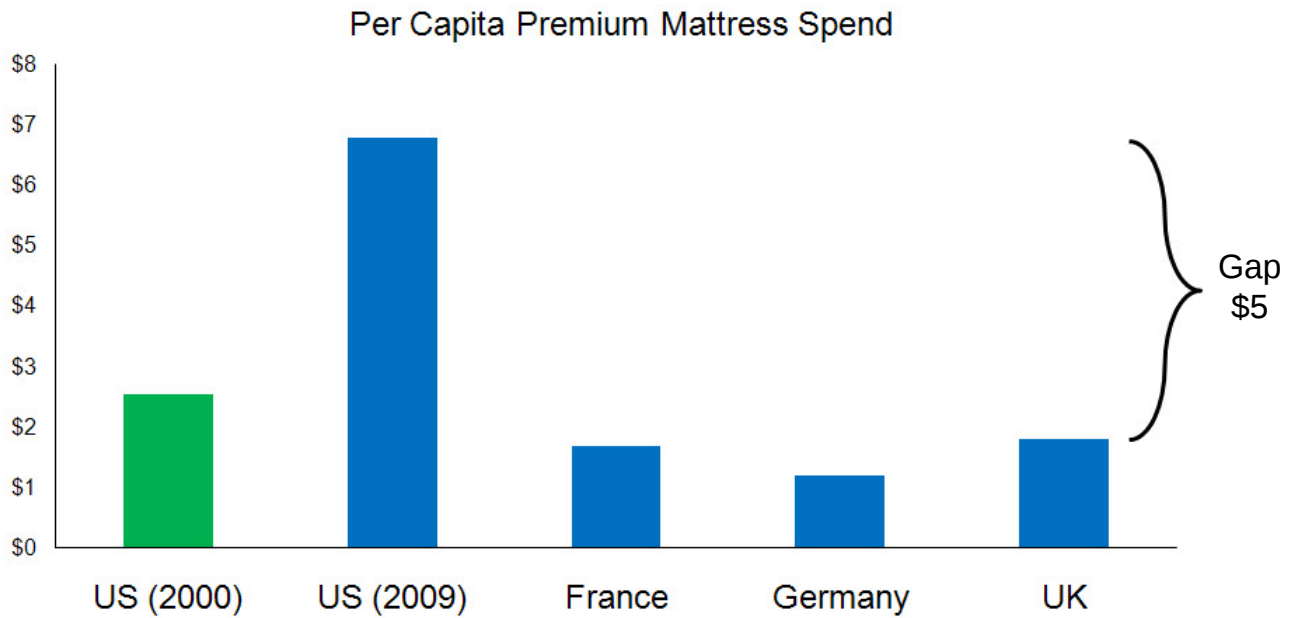
5 Year Sales Growth



European “Big 3”

Europeans Currently Spend Significantly Less On Premium Mattresses Than US Consumers

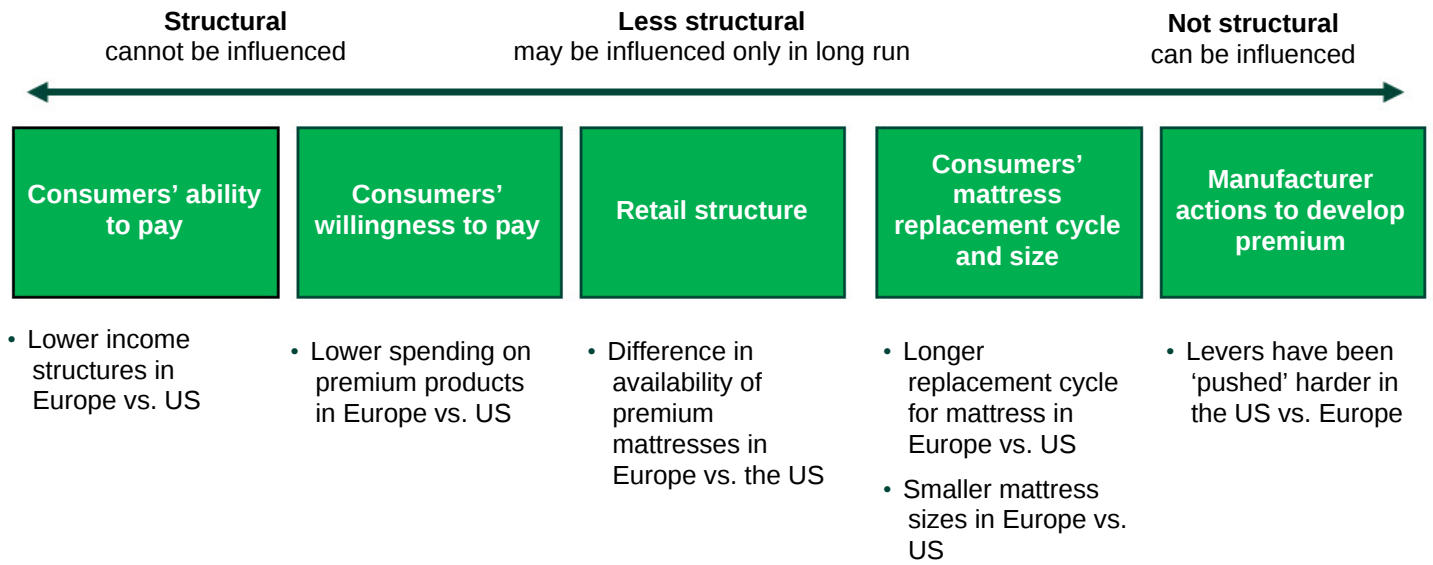
u US premium mattress category growth demonstrates opportunity in other markets



Source: 3rd party research study commissioned by Tempur-Pedic and management estimates
Premium normalized to European pricing standards



Five Factors Account For The Difference Between The US And European “Big 3” Premium Mattress Markets



Source: 3rd party research study commissioned by Tempur-Pedic

Spending On Premium Products In Europe Versus US

u Europeans spend as much or more as US consumers on Premium

	Premium Share of Market					
	Mattresses	Refrigerators	Appliances	Dishwashers	New Cars	Razors
US	50%	28%	29%	35%	8%	40%
Europe	18%	32%	28%	41%	15%	39%

Note: In 2000, the US Premium mattress share was ~31%

Source: 3rd party research study commissioned by Tempur-Pedic
Note: Premium category varies by country



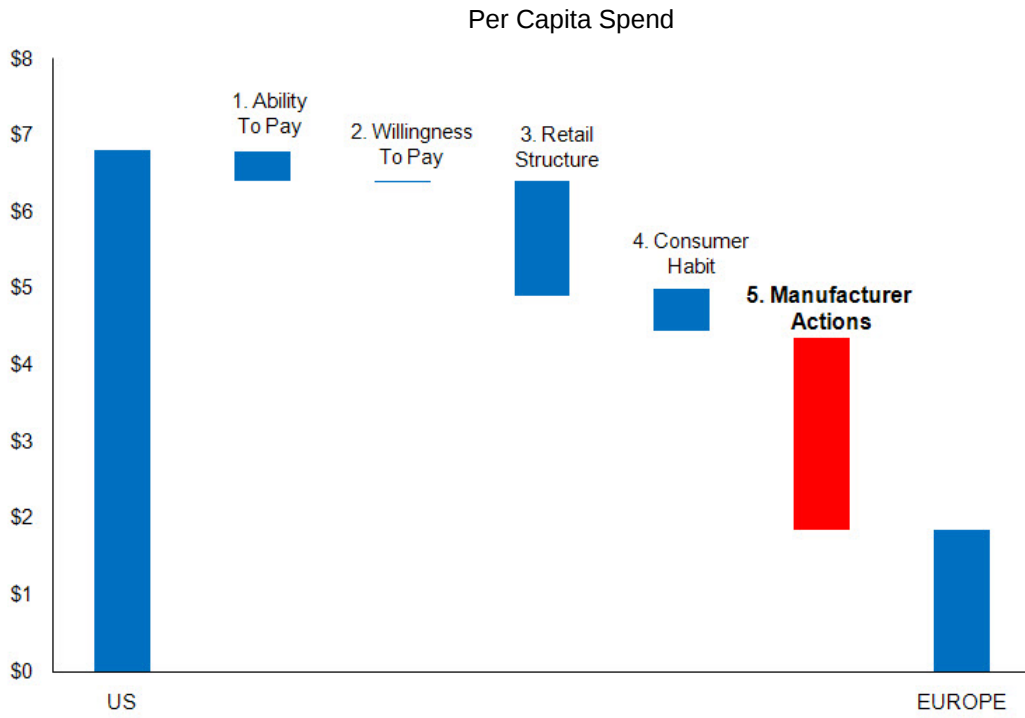
Five Factors Drive The Difference Between The US And European “Big 3” Premium Mattress Markets

Consumers' ability to pay	Consumers' willingness to pay	Retail structure	Consumers' mattress replacement cycle and size	Manufacturer actions to develop premium
<ul style="list-style-type: none"> • Lower income structures in Europe vs. US • Ability to pay only explains <10% of the \$ / capita spend gap to US: • Assuming same income structure as US, spend/capita would grow <\$0.50 	<ul style="list-style-type: none"> • Lower spending on premium products in Europe vs. US • In fact, except for mattresses consumers spend as much on premium in Europe • This factor has no impact on spend/capita 	<ul style="list-style-type: none"> • Difference in availability of premium mattresses in Europe vs. the US • Europe has a similar proportion of stores carrying premium, but they are smaller stores • A retail structure similar to the US would increase spend/capita by \$1.20 	<ul style="list-style-type: none"> • Longer replacement cycle for mattress in Europe vs. US • Smaller mattress sizes in Europe vs. US • Both factors are true, but together only account for \$0.20 to \$0.75 spend/capita 	<ul style="list-style-type: none"> • Levers have been 'pushed' harder in the US vs. Europe - Awareness building - Product range • 60% of the gap between US and Europe, a potential additional \$2.50/capita

Source: 3rd party research study commissioned by Tempur-Pedic

Five Factors Conclusion

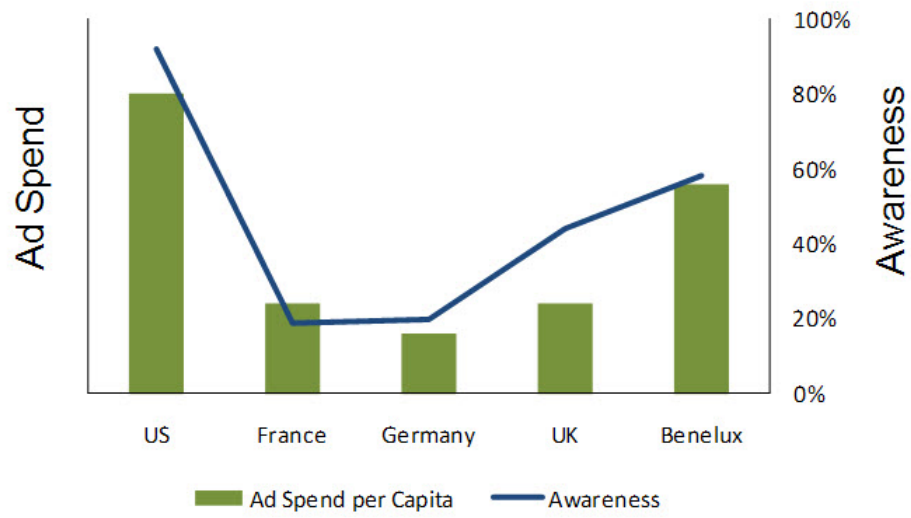
- u 60% of the gap between US and Europe, a potential additional \$2.50 / capita driven by manufacturer actions



Source: 3rd party research study commissioned by Tempur-Pedic

Brand Awareness Will Be Increased In Europe

- u Ad spend positively correlated with brand awareness and market share



Product Range Will Be Broadened And Strengthened

	TEMPUR® Original Collection <i>featuring supportive firmer feel</i>	TEMPUR® Sensation Collection <i>featuring supportive traditional feel</i>	TEMPUR® Cloud Collection <i>featuring supportive softer feel</i>
Mattresses	Original Supreme Original Royal Original Deluxe Original	Sensation Supreme Sensation Deluxe Sensation	Cloud Supreme Cloud Deluxe Cloud
Sleep Systems	Relaxation Supreme Signature Premium Zen	Relaxation Sensation	Promessa Relaxation

Cloud Collection To Begin International Rollout In Early 2011

- u Phased rollout by market during 2011
- u 3-4 models / price points per market



China

China: Summary Of Key Findings From Recent Research Study

- u Substantial market potential for premium mattresses in four city focus
 - Ø Existing premium retail market greater than \$250 million

- u Already a significant potential customer base
 - Ø 60 million people in the four city focus

- u Mattress preferences and buying habits show no particular barriers to market development

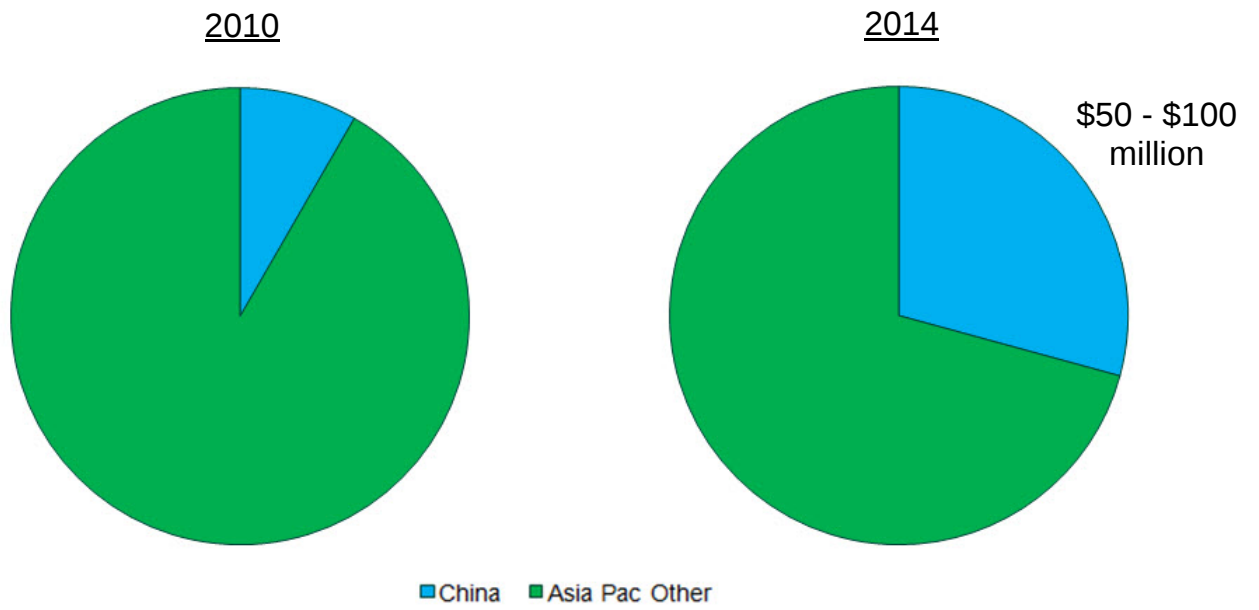
- u Established distribution model
 - Ø Department stores and furniture malls

- u Advertising and brand development viable
 - Ø Opportunity to develop targeted marketing for wealthy consumers

China Plan

- u Complete consumer testing to determine Tempur product range
- u Broaden product collection to meet market specific consumer needs
- u Adapt retail model to match local market
- u Quadruple store count by 2014

Potential For China To Grow 10x Or More Over Next Five Years



Management estimates

Summary

- u 2009 Objective:

- ∅ “Maintain A Reasonable Cushion To The Covenants”

- u 2010 Objective:

- ∅ “Moving From Survive To Thrive”

Summary

- u 2009 Objective:

- Ø “Maintain A Reasonable Cushion To The Covenants”

- u 2010 Objective:

- Ø “Moving From Survive To Thrive”

- u 2011 Objective:

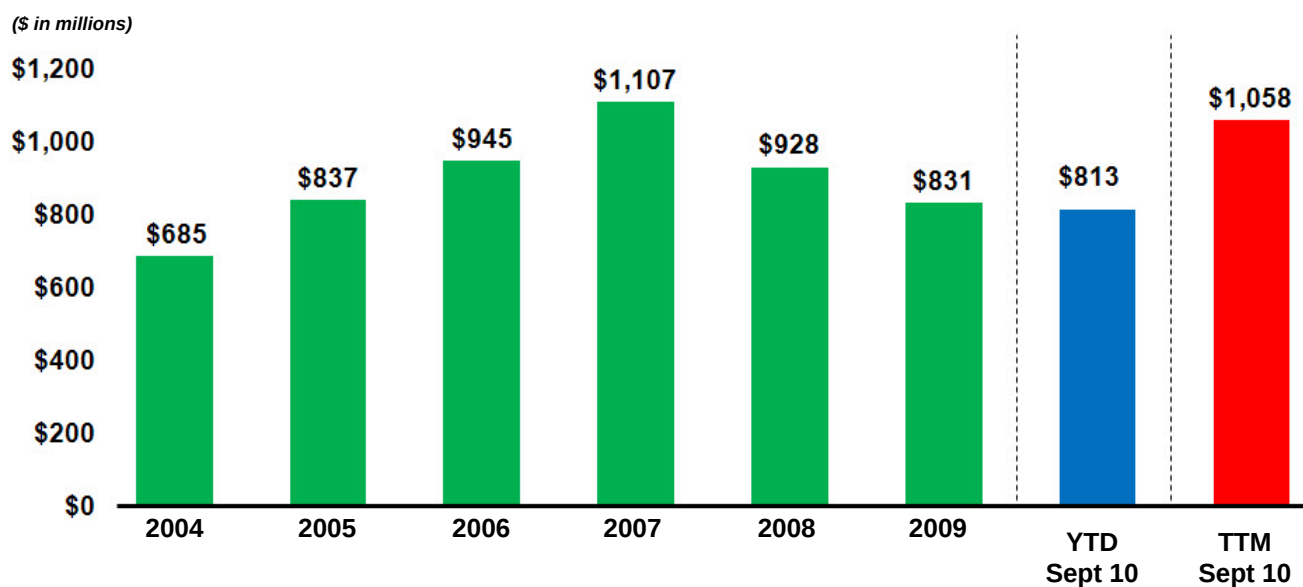
- Ø “Building The Foundation For The World’s Favorite Mattress And Pillow Brand”

Dale Williams
Executive Vice President & Chief Financial Officer

Financial Overview

Net Sales

- u Negotiated difficult recession in 2008 - 2009
- u 2010 rebound impacted by Cloud, AskMe, and modest industry growth

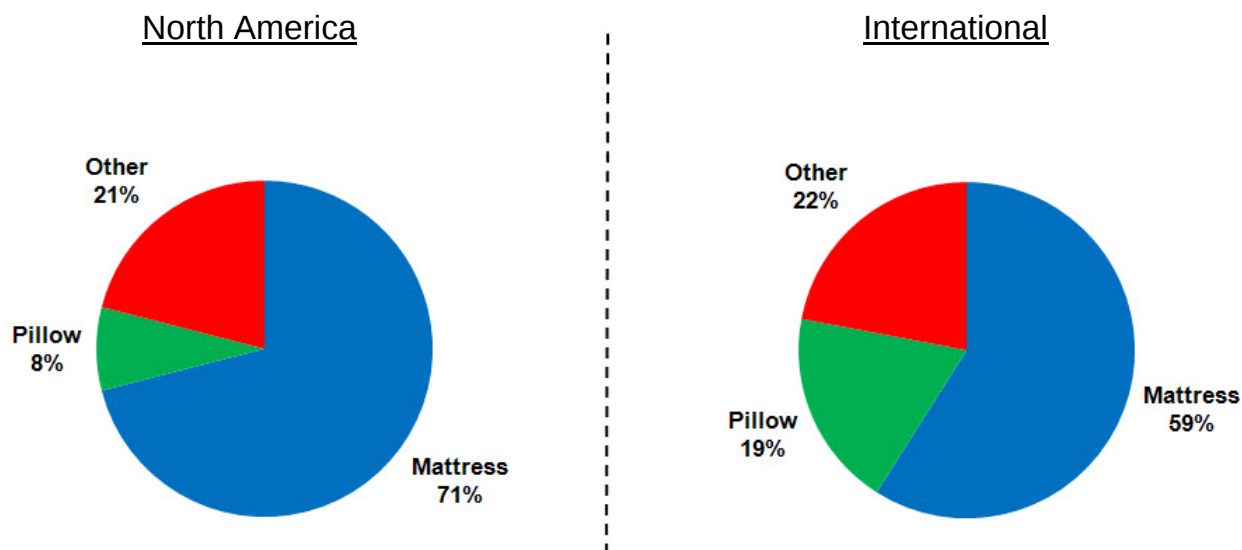


For a discussion of the Company's performance, please refer to the Company's 3rd quarter 10Q filing and prior 10K filings.

Mattresses Drive Global Business, With Significant Revenue In Other Product Lines

- u US mattress revenue up 46% in 2010, driven by Cloud collection
- u US "Other" up 52% as Ergo attach rates improving

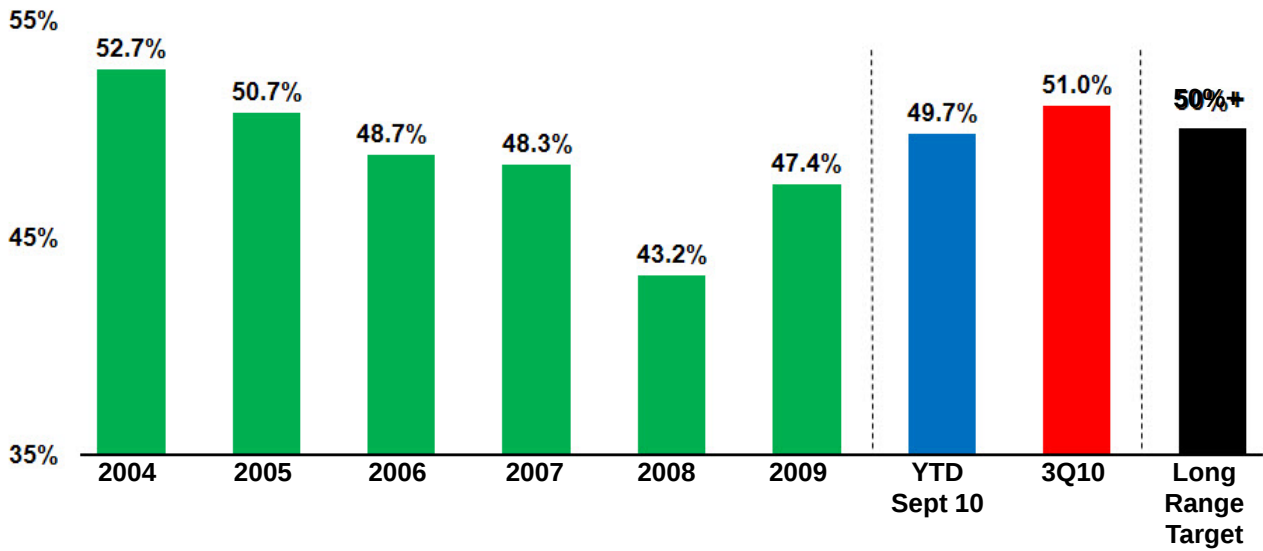
3Q10 YTD Sales



For a discussion of the Company's performance, please refer to the Company's 3rd quarter 10Q filing and prior 10K filings.

Gross Margin

- u In 2nd year of 4 year productivity program to drive +700 basis points of margin
- u We plan to invest in our product line to drive growth and continue our technological leadership



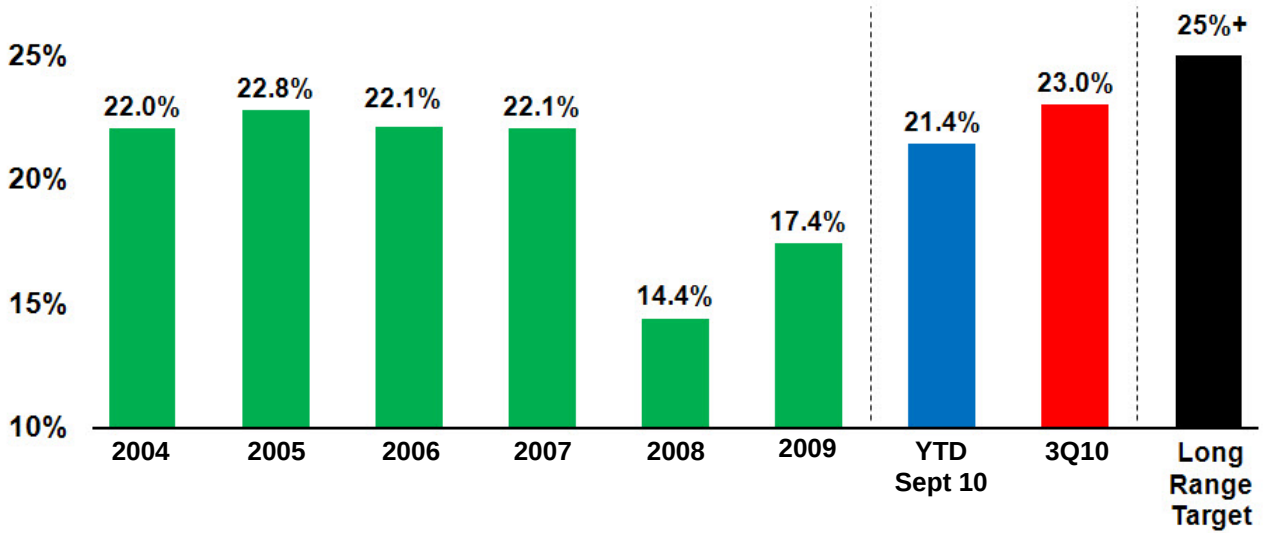
For a discussion of the Company's performance, please refer to the Company's 3rd quarter 10Q filing and prior 10K filings.

Significant Opportunity To Improve COGS

<u>Focus Area</u>	<u>Project Examples</u>	
Operational Excellence	Yield Continuous Improvement Projects	Scrap Minimization Direct Costing
Sourcing	Competition Co-Engineering	Supplier Managed Inventory Contract Terms
Engineering	Formulation Adjustments Returns / Warranty Reduction	Integrated FR
Supply Chain Strategy	Truckload Utilization Direct Ship Network Optimization	Demand Driven Supply Chain Partner Management
New Product Development	Design For Manufacturability	Target Costing
Fixed Cost Leverage		

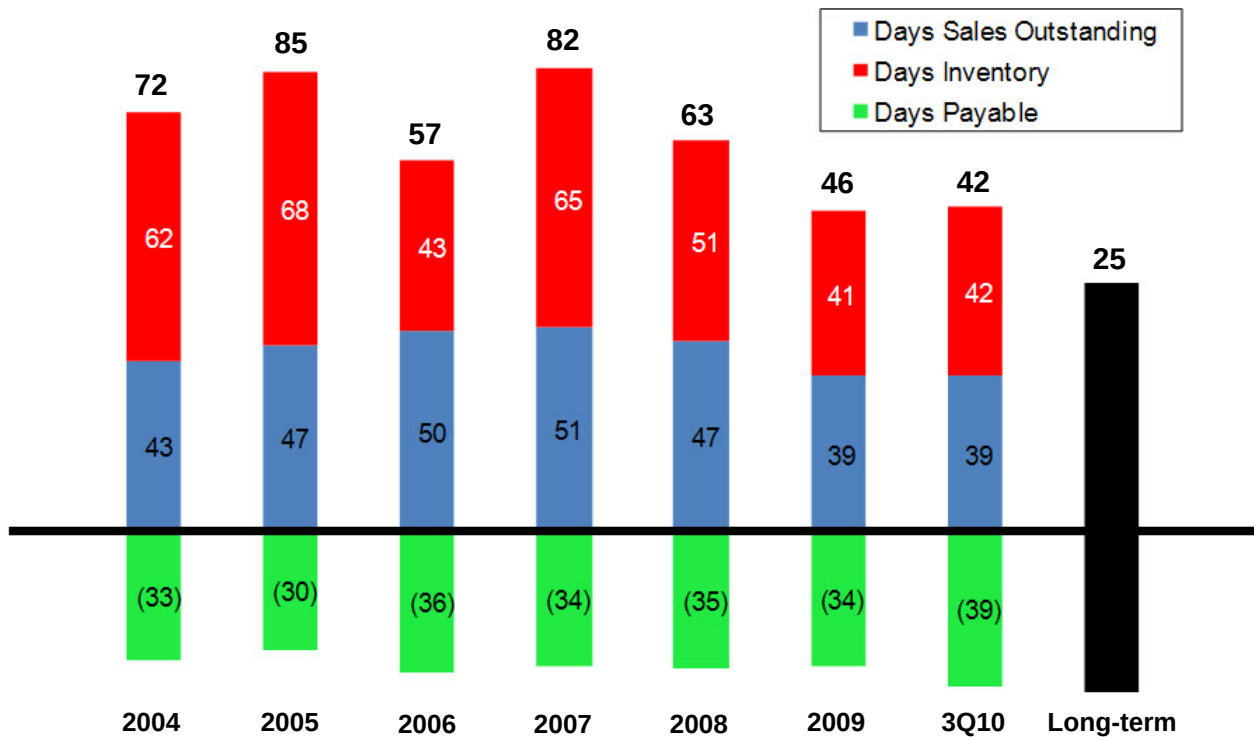
Operating Margin

- u Operating margin benefiting from gross margin expansion
- u Sales growth drives leverage of fixed expenses in SG&A



For a discussion of the Company's performance, please refer to the Company's 3rd quarter 10Q filing and prior 10K filings.

Excellent Cash Flow Dynamics With Significant Opportunity To Continue Cash Cycle Improvement

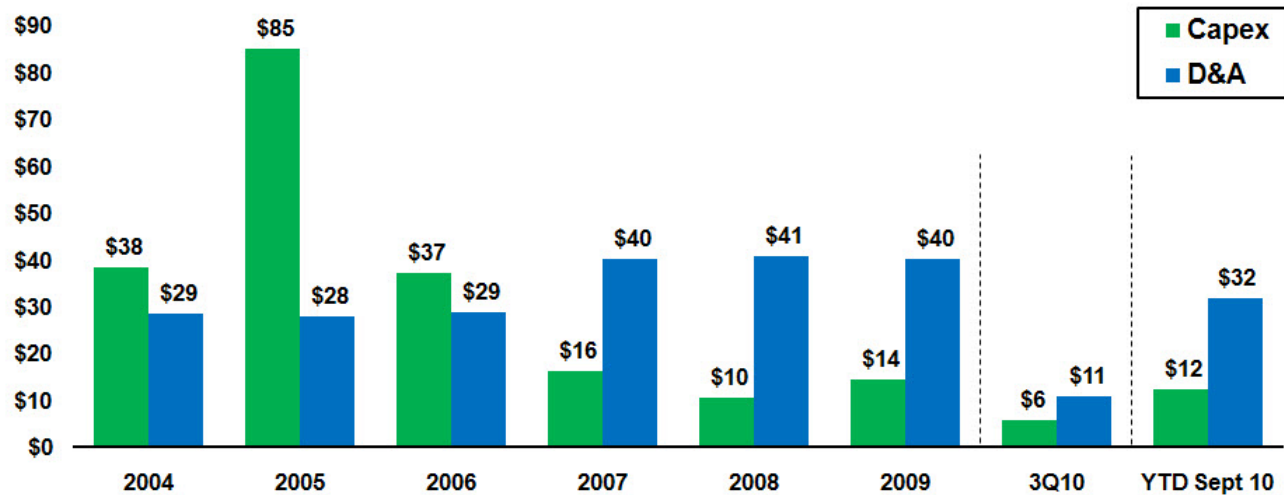


Long-term estimate is intended for illustrative purposes only. Figure not drawn to scale.

Depreciation & Amortization vs. Capital Expenditures

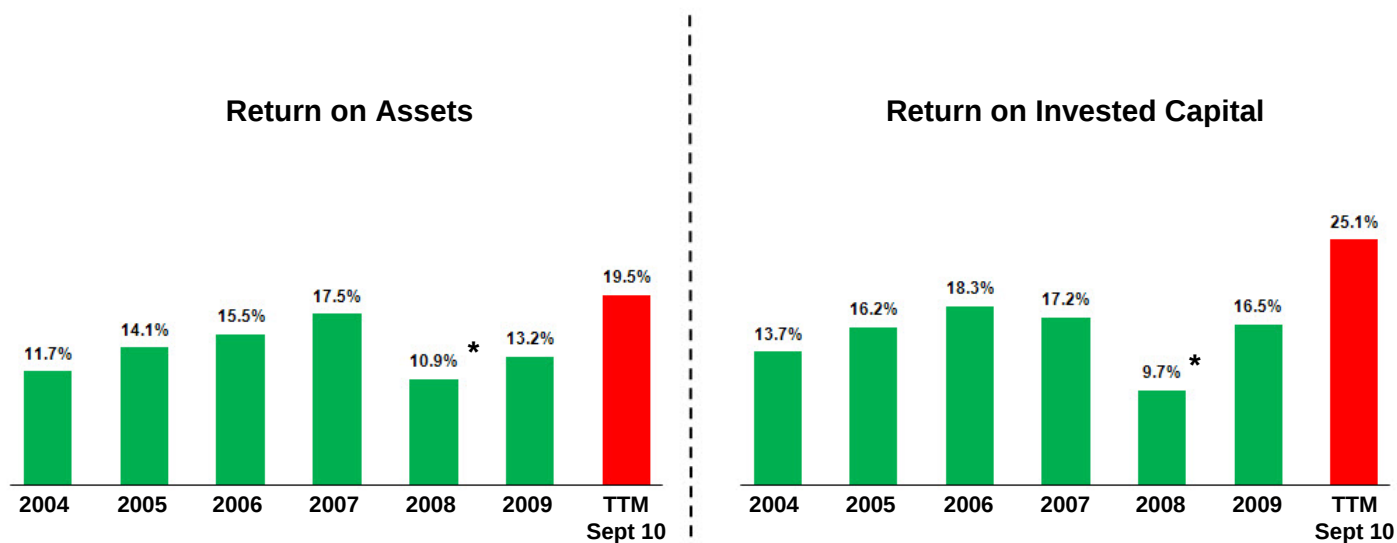
- u Multi-year add back to net income as D&A should exceed capex
- u Anticipate annual capex of \$20 million or less for the foreseeable future

(\$ in millions)



For a discussion of the Company's performance, please refer to the Company's 3rd quarter 10Q filing and prior 10K filings.

Low Levels Of Capital Should Continue To Drive High Returns Going Forward



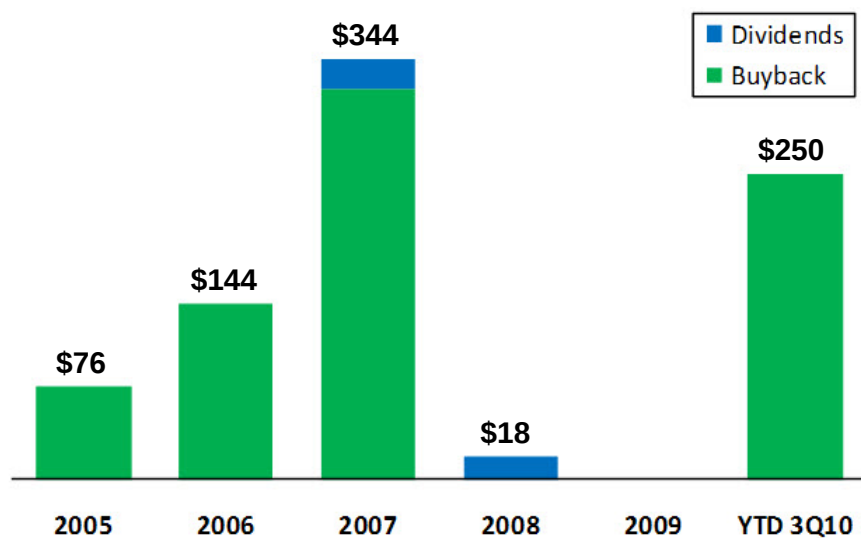
For a discussion of the Company's performance, please refer to the Company's 3rd quarter 10Q filing and prior 10K filings.

*Note: For a reconciliation of 2008 Adjusted Net Income, Return on Assets, Return on Invested Capital and a reconciliation of non-GAAP to GAAP financial measures, please see Appendix of this presentation.

Significant Operating Cash Flow With Commitment To Enhance Stockholder Value

u Repurchased >30% of the company since 2005

- ∅ Diluted share count @ 12/04: ~103 million
- ∅ Diluted share count @ 10/10: ~70 million



For a discussion of the Company's performance, please refer to the Company's 3rd quarter 10Q filing and prior 10K filings.

2011 First Look: Sales

- u Anticipate 2011 will be another year of market share gains

North America

- Cloud collection
- Ergo attach rates
- New products
- Advertising
- Macro
- Canada
- Other (pricing, new accounts)

International

- Cloud and other new products
- New distribution
- Advertising / awareness
- Emerging markets

2011 First Look: Margins

- u Anticipate 2011 will be another year of margin expansion partially offset by inflationary commodities outlook and marketing investments

Gross Margin

- + Productivity program
- + Fixed cost leverage
- + Product mix
- Commodities
- ? Geographic segment mix

Operating Margin

- + Gross margin
- + SG&A leverage
- Marketing investments

Intermediate Term Goals - 2014

- u \$2 billion Sales
- u 25%+ Operating Margin
- u Cash / Stockholder value

- u World's Favorite Mattress And Pillow Brand

PANCAN Charitable Giving Drive



- u 2010 Limited Edition My Tempur-Pedic Teddy Bear®
- u Supporting the fight against Pancreatic Cancer



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

GAAP To Non-GAAP Reconciliations - Net Income and Earnings Per Share

Reconciliation of Adjusted Net Income to Net Income TTM 2009 and 2008 and Adjusted Earnings Per Share for 2008
Non-GAAP Measures

The Company provides information regarding Adjusted Net income and Adjusted Earnings per share which are not recognized terms under GAAP (Generally Accepted Accounting Principles) and do not purport to be alternatives to Net income and Earnings per share as a measure of operating performance. Because not all companies use identical calculations, these presentations may not be comparable to other similarly titled measures of other companies. A reconciliation of Adjusted Net income and Adjusted Earnings per share to the Company's Net income and Earnings per share is provided below. Management believes that the use of these non-GAAP financial measures provides investors with additional useful information with respect to the impact of the repatriation of foreign earnings.

The following table sets forth the reconciliation of the Company's reported Net income to the calculation of Adjusted Net income for the trailing nine months ending September 30, 2009 and twelve months ended December 31, 2008 and the reconciliation of the Company's reported Earnings per share to the calculation of Adjusted Earnings per share for the twelve months ended December 31, 2008.

2008	
2008 GAAP Net Income	58,868
Plus:	
Q408 Tax provision related to repatriation of foreign earnings	11,631
Adjusted Net Income	70,499
GAAP Earnings per share, diluted	\$ 0.79
Tax provision related to repatriation of foreign earnings	\$ 0.15
Adjusted Earnings per share, diluted	\$ 0.94

Calculation Of Return On Assets

The Company provides information regarding Return on Assets as the Company believes it provides investors with useful information. Return on Assets is calculated by dividing Net Income/Loss by Total Assets as reported in the Company's 10K and 10Q filings. No adjustment for dividends was made in this calculation. See the GAAP to Non-GAAP Reconciliation for a reconciliation of Adjusted Net Income in 2008.

TTM 2010		2009		2008	
Q310 GAAP Net Income	44,198			2008 GAAP Net Income	58,868
Q210 GAAP Net Income	33,506			Plus:	
Q110 GAAP Net Income	33,148			Q408 Tax provision related to repatriation of foreign earnings	11,631
Q409 GAAP Net Income	29,114			Adjusted Net Income	70,499
TTM Adjusted Net Income	139,967	GAAP Net Income	84,993	Total Assets	646,531
Total Assets	715,950	Total Assets	643,379	Return on Assets	10.9%
Return on Assets	19.5%	Return on Assets	13.2%		
2007		2006		2005	
GAAP Net Income	141,459	GAAP Net Income	112,322	GAAP Net Income	99,329
Total Assets	806,432	Total Assets	725,666	Total Assets	702,311
Return on Assets	17.5%	Return on Assets	15.5%	Return on Assets	14.1%
2004					
GAAP Net Income	75,007				
Total Assets	639,623				
Return on Assets	11.7%				

Calculation Of Return On Invested Capital

The Company provides information regarding Return on Invested Capital as the Company believes it provides investors with useful information. We consider our Invested Capital to be Total Assets less Accounts Payable and Accrued Expenses & Other Current Liabilities as reported in the company's 10K and 10Q filings. Return on Invested Capital is calculated by dividing Net Income/Loss (less any dividends) by Invested Capital. See the GAAP to Non-GAAP Reconciliation for a reconciliation of Adjusted Net Income in 2008.

TTM 2010		2009		2008		2007	
Q310 GAAP Net Income	44,198			2008 GAAP Net Income	58,868		
Q210 GAAP Net Income	33,506			Plus:			
Q110 GAAP Net Income	33,148			Q408 Tax provision related to repatriation of foreign earnings	11,631		
Q409 GAAP Net Income	29,114			Adjusted Net Income	70,499		
GAAP Net Income/Loss	139,966	GAAP Net Income/Loss	84,993	Dividends	17,933	GAAP Net Income/Loss	141,459
Dividends	-	Dividends	-	Net Income (less Dividends)	52,566	Dividends	23,811
Net Income (less Dividends)	139,966	Net Income (less Dividends)	84,993	Total Assets	648,531	Net Income (less Dividends)	117,648
Total Assets	715,950	Total Assets	643,379	Accounts payable	41,355	Total Assets	806,432
Accounts payable	62,798	Accounts payable	47,761	Accrued Expenses & Other Current Liabilities	65,316	Accounts payable	56,206
Accrued Expenses & Other Current Liabilities	94,461	Accrued Expenses & Other Current Liabilities	81,451	Invested Capital	539,860	Accrued Expenses & Other Current Liabilities	66,080
Invested Capital	558,691	Invested Capital	514,167	Return on Invested Capital	9.7%	Invested Capital	684,146
Return on Invested Capital	25.1%	Return on Invested Capital	16.5%			Return on Invested Capital	17.2%
2006		2005		2004			
GAAP Net Income/Loss	112,322	GAAP Net Income/Loss	99,329	GAAP Net Income/Loss	75,007		
Dividends	-	Dividends	-	Dividends	-		
Net Income (less Dividends)	112,322	Net Income (less Dividends)	99,329	Net Income (less Dividends)	75,007		
Total Assets	725,686	Total Assets	702,311	Total Assets	639,623		
Accounts payable	48,297	Accounts payable	33,639	Accounts payable	34,771		
Accrued Expenses & Other Current Liabilities	63,973	Accrued Expenses & Other Current Liabilities	56,670	Accrued Expenses & Other Current Liabilities	55,600		
Invested Capital	613,396	Invested Capital	612,102	Invested Capital	549,252		
Return on Invested Capital	18.3%	Return on Invested Capital	16.2%	Return on Invested Capital	13.7%		