

TEMPUR PEDIC INTERNATIONAL INC

Form 4

July 27, 2007

FORM 4**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

Check this box
if no longer
subject to
Section 16.
Form 4 or
Form 5
obligations
may continue.
See Instruction
1(b).

**STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF
SECURITIES**

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934,
Section 17(a) of the Public Utility Holding Company Act of 1935 or Section
30(h) of the Investment Company Act of 1940

OMB APPROVAL

OMB
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(Print or Type Responses)

1. Name and Address of Reporting Person *
Rao Bhaskar

(Last) (First) (Middle)

C/O TEMPUR-PEDIC
INTERNATIONAL INC., 1713
JAGGIE FOX WAY

(Street)

LEXINGTON, KY 40511

(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading
Symbol
TEMPUR PEDIC
INTERNATIONAL INC [TPX]

3. Date of Earliest Transaction
(Month/Day/Year)
07/26/2007

4. If Amendment, Date Original
Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to
Issuer

(Check all applicable)

____ Director ____ 10% Owner
X Officer (give title ____ Other (specify
below) below)
CAO & VP of Strategic Planning

6. Individual or Joint/Group Filing(Check
Applicable Line)
X Form filed by One Reporting Person
____ Form filed by More than One Reporting
Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1. Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)	4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price		
Common Stock	07/26/2007		M		5,202	A	\$ 19.22	5,202	D
Common Stock	07/26/2007		M		10,937	A	\$ 10.66	16,139	D
Common Stock	07/26/2007		M		8,750	A	\$ 12.37	24,889	D
Common Stock	07/26/2007		S		300	D	\$ 31.3	24,589	D
	07/26/2007		S		12,900	D		11,689	D

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Common Stock					\$ 31.31		
Common Stock	07/26/2007	S	100	D	\$ 31.32	11,589	D
Common Stock	07/26/2007	S	100	D	\$ 31.33	11,489	D
Common Stock	07/26/2007	S	2,000	D	\$ 31.35	9,489	D
Common Stock	07/26/2007	S	1,200	D	\$ 31.36	8,289	D
Common Stock	07/26/2007	S	500	D	\$ 31.37	7,789	D
Common Stock	07/26/2007	S	400	D	\$ 31.38	7,389	D
Common Stock	07/26/2007	S	500	D	\$ 31.4	6,889	D
Common Stock	07/26/2007	S	1,100	D	\$ 31.41	5,789	D
Common Stock	07/26/2007	S	600	D	\$ 31.42	5,189	D
Common Stock	07/26/2007	S	200	D	\$ 31.44	4,989	D
Common Stock	07/26/2007	S	700	D	\$ 31.45	4,289	D
Common Stock	07/26/2007	S	1,400	D	\$ 31.46	2,889	D
Common Stock	07/26/2007	S	400	D	\$ 31.47	2,489	D
Common Stock	07/26/2007	S	400	D	\$ 31.49	2,089	D
Common Stock	07/26/2007	S	1,800	D	\$ 31.5	289	D
Common Stock	07/26/2007	S	289	D	\$ 31.51	0	D

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474
(9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(e.g., puts, calls, warrants, options, convertible securities)

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1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)	5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)	6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8.	
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares
Stock option (option to buy)	\$ 19.22	07/26/2007		M		5,202		<u>(1)</u>	05/02/2015	Common Stock	5,202
Stock option (option to buy)	\$ 10.66	07/26/2007		M		10,937		<u>(2)</u>	10/25/2015	Common Stock	10,937
Stock option (option to buy)	\$ 12.37	07/26/2007		M		8,750		<u>(3)</u>	12/14/2015	Common Stock	8,750

Reporting Owners

Reporting Owner Name / Address	Relationships
	Director 10% Owner Officer Other
Rao Bhaskar C/O TEMPUR-PEDIC INTERNATIONAL INC. 1713 JAGGIE FOX WAY LEXINGTON, KY 40511	CAO & VP of Strategic Planning

Signatures

/s/ William H. Poche,
attorney-in-fact 07/27/2007

 **Signature of Reporting Person Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

- These options became fully vested and exercisable on December 15, 2005, pursuant to a stock sale restriction agreement, dated December 15, 2005 between the reporting person and the issuer. Under the agreement, the shares are subject to certain transfer restrictions, such
- (1) restrictions to be removed in a series of installments. The first installment, which consisted of 25% of the original aggregate number of options granted, became transferable on May 2, 2006. The remaining shares become transferable in a series of twelve successive equal quarterly installments.
- (2) These options vest and become exercisable in a series of installments. The first installment, which consisted of 25% of the original aggregate number of options granted, vested on October 25, 2006. The remaining options vest and become exercisable in a series of

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twelve successive equal quarterly installments.

- These options vest and become exercisable in a series of installments. The first installment, which consisted of 25% of the original
- (3) aggregate number of options granted, vested on December 15, 2006. The remaining options vest and become exercisable in a series of three equal annual installments. The next of these installments will vest and become exercisable on December 15, 2007.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.

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