

TEMPUR PEDIC INTERNATIONAL INC
 Form 4
 February 20, 2007

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

OMB APPROVAL
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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

(Print or Type Responses)

1. Name and Address of Reporting Person *
WILLIAMS DALE E

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

5. Relationship of Reporting Person(s) to Issuer
 (Check all applicable)

(Last) (First) (Middle)
C/O TEMPUR-PEDIC INTERNATIONAL INC., 1713 JAGGIE FOX WAY
 (Street)

3. Date of Earliest Transaction (Month/Day/Year)
02/15/2007

____ Director _____ 10% Owner
 Officer (give title below) _____ Other (specify below)
Sr. VP, CFO & Secretary

LEXINGTON, KY 40511
 (City) (State) (Zip)

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

6. Individual or Joint/Group Filing(Check Applicable Line)
 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 or Price | | |
| Common Stock | 02/15/2007 | | M | | 342,891 A \$ 2.38 | 384,891 | D |
| Common Stock | 02/15/2007 | | S | | 200 D \$ 25.8 | 384,691 | D |
| Common Stock | 02/15/2007 | | S | | 4,700 D \$ 25.82 | 379,991 | D |
| Common Stock | 02/15/2007 | | S | | 300 D \$ 25.83 | 379,691 | D |
| | 02/15/2007 | | S | | 300 D | 379,391 | D |

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| | | | | | | | |
|--------------|------------|---|--------|---|----------|---------|---|
| Common Stock | | | | | \$ 25.84 | | |
| Common Stock | 02/15/2007 | S | 13,400 | D | \$ 25.85 | 365,991 | D |
| Common Stock | 02/15/2007 | S | 6,000 | D | \$ 25.86 | 359,991 | D |
| Common Stock | 02/15/2007 | S | 9,400 | D | \$ 25.87 | 350,591 | D |
| Common Stock | 02/15/2007 | S | 9,900 | D | \$ 25.88 | 340,691 | D |
| Common Stock | 02/15/2007 | S | 16,400 | D | \$ 25.89 | 324,291 | D |
| Common Stock | 02/15/2007 | S | 7,200 | D | \$ 25.9 | 317,091 | D |
| Common Stock | 02/15/2007 | S | 2,900 | D | \$ 25.91 | 314,191 | D |
| Common Stock | 02/15/2007 | S | 7,100 | D | \$ 25.92 | 307,091 | D |
| Common Stock | 02/15/2007 | S | 15,210 | D | \$ 25.93 | 291,881 | D |
| Common Stock | 02/15/2007 | S | 37,800 | D | \$ 25.94 | 254,081 | D |
| Common Stock | 02/15/2007 | S | 8,000 | D | \$ 25.95 | 246,081 | D |
| Common Stock | 02/15/2007 | S | 300 | D | \$ 25.96 | 245,781 | D |
| Common Stock | 02/15/2007 | S | 1,400 | D | \$ 25.97 | 244,381 | D |
| Common Stock | 02/15/2007 | S | 790 | D | \$ 25.98 | 243,591 | D |
| Common Stock | 02/15/2007 | S | 304 | D | \$ 26.03 | 243,287 | D |
| Common Stock | 02/15/2007 | S | 2,000 | D | \$ 26.05 | 241,287 | D |
| Common Stock | 02/15/2007 | S | 100 | D | \$ 26.1 | 241,187 | D |

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

Persons who respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

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(9-02)

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

| 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) | | |
|---|--|--------------------------------------|--|--------------------------------|---|--|---|--------------|----------------------------|
| | | | | Code | V (A) (D) | Date Exercisable | Expiration Date | Title | Amount or Number of Shares |
| Stock options (right to buy) ⁽¹⁾ | \$ 2.38 ⁽²⁾ | 02/15/2007 | | M | 342,891 | ⁽³⁾ | 07/07/2013 | Common Stock | 342,891 |

Reporting Owners

| Reporting Owner Name / Address | Relationships | | | |
|--|---------------|-----------|-------------------------|-------|
| | Director | 10% Owner | Officer | Other |
| WILLIAMS DALE E C/O TEMPUR-PEDIC INTERNATIONAL INC. 1713 JAGGIE FOX WAY LEXINGTON, KY 40511 | | | Sr. VP, CFO & Secretary | |

Signatures

/s/ Dale E. Williams
02/20/2007
Date

**Signature of Reporting Person

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).
 - (1) The reporting person exercised the stock option in order to receive the benefits of retaining ownership of the underlying common stock. The proceeds from the sale of the shares will be used to pay for the exercise price of the stock option and estimated federal and state taxes payable as a result of the exercise.
 - (2) Reflects rounding.
 - (3) These options vest and become exercisable in a series of installments. The first installment, which consisted of 10% of the total aggregate number of options granted, vested on October 27, 2003. An additional 15% of the original aggregate number of options granted vested and became exercisable on July 7, 2004. The remaining options will vest and become exercisable in a series of twelve successive equal quarterly installments, beginning on October 7, 2004.

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, see Instruction 6 for procedure. Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number.