

TEMPUR PEDIC INTERNATIONAL INC
 Form 4
 July 27, 2007

FORM 4

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

OMB APPROVAL

OMB Number: 3235-0287
 Expires: January 31, 2005
 Estimated average burden hours per response... 0.5

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 *
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
 Officer (give title below) Other (specify below)
 CAO & VP of Strategic Planning

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 (A) or (D)		
Common Stock	07/26/2007		M		5,202 A \$ 19.22	D	
Common Stock	07/26/2007		M		10,937 A \$ 10.66	D	
Common Stock	07/26/2007		M		8,750 A \$ 12.37	D	
Common Stock	07/26/2007		S		300 D \$ 31.3	D	
	07/26/2007		S		12,900 D	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. 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 as

(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. 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.