



## **SIMMONS (SOUTHEAST ASIA) PTE LTD**

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### **SIMMONS (SEA) PTE LTD CLARIFICATION: THE FINANCIAL ISSUE OF US-BASED SIMMONS COMPANY HAS NO INFLUENCE ON SIMMONS BUSINESS IN THE ASIAN REGION**

**Singapore, 21 October 2009**

SINGAPORE, 21 October 2009 – Simmons (SEA) Pte Ltd, a fully-owned subsidiary of Simmons Co. Ltd. Japan, wishes to clarify that the company in Singapore is the direct licensee of Simmons products here and in the region. The relationship between Simmons (SEA) and Simmons Bedding Company in the United States is therefore one of licensee and licensor.

Simmons Co. Ltd. Japan is a subsidiary of Nifco Inc, a plastic fastening company, which is listed on the Tokyo Stock Exchange. Simmons Co. Ltd. Japan owns the perpetual licence to 23 countries in Asia, including Singapore. It has the licence to manufacture and distribute Simmons products in Asia.

On 25 September 2009, Simmons Company and its indirect subsidiary, Simmons Bedding Company, a leading manufacturer of premium-bedding products, announced that their Board of Directors have approved a restructuring plan under which they had entered into an agreement that provides for the acquisition of Simmons Bedding Company and all of its subsidiaries by Ares Management LLC and Teachers' Private Capital, the private investment arm of the Ontario Teachers' Pension Plan.

The announcement also stated that as part of the restructuring of its debt obligations and the related transaction, Simmons Company will reduce its total indebtedness from approximately US\$1 billion to approximately US\$450 million. From this process, Simmons Company will emerge with a stronger balance sheet and increased financial flexibility.

Under the restructuring plan, all of Simmons Bedding Company's trade vendors, suppliers, employees and senior bank lenders will be paid in full. As a necessary administrative step to put the financial restructuring and new ownership into effect, it is therefore necessary for Simmons Bedding Company to file for Chapter 11. During this Chapter 11 process, Simmons USA will conduct business as usual. Filing Chapter 11 has no effect on its business operations. Simmons Bedding Company has more than adequate cash and capital on hand to ensure continuity of its business under new owners. Similarly, Simmons Bedding Company will continue to supply mattresses to local and regional customers without interruption.

Erroneous overseas media reports from Taiwan and China have emerged following the U.S. restructuring plan announcement. Simmons SEA reassures its business partners, customers and all other stakeholders that there is no cause for concern as there shall be no influence on the business and operations of Simmons in the Asian countries. Neither Simmons Co. Ltd. Japan nor its subsidiaries have any capital relationship with Simmons Bedding Company in the U.S. and there will be no effect on the licence for the use of trademarks, etc. in Asia.

Mr Casey Teh, Director of Simmons (SEA), elaborated, "In Asia, despite the challenging world economic climate, we have achieved encouraging sales of over US\$50 million in 2008, excluding Japan. The company has enjoyed double-digit growth in the last five years and is on an expansion track."



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In March this year, Simmons Co. Ltd. Japan opened its Fuji Oyama Plant, doubling the production capability and introducing new products with features similar to that manufactured by Simmons Bedding Company in the U.S.

Around the region, three new Simmons Gallery showrooms were opened in May, July and August this year in Tampines 1, Singapore; Central World Plaza, Bangkok and Shangri-la Mall, Manila, Philippines respectively. Greater awareness of how a good mattress promotes a good night's rest and the importance of sleep in relation to one's peak performance has catapulted the demand for Simmons mattresses regionally. The hotel experience that consumers enjoy also translated to greater demand for Simmons mattresses with consumers trying to recreate the hotel experience in their own homes. Thus, Simmons continues to enjoy growth both locally and regionally. More Simmons Gallery showrooms will open by end Y2009 in Hyderabad, India and Manila, Philippines.

Mr Teh summed up, "Simmons (SEA) is highly profitable, showing double-digit growth in the past five years. We are very healthy financially with a strong cashflow in our books. We are aggressively expanding our regional markets with full support and blessings from Simmons Japan. Consumers can also expect to see the launch of several new and interesting products in the coming months, reflecting Simmons' R&D strengths and continuous efforts in innovation."

Simmons (SEA) has a marketing presence in Brunei, India, Indonesia, Malaysia, Singapore, Thailand, the Philippines and Vietnam."

For more information on Simmons (SEA), please visit [www.simmons.com.sg](http://www.simmons.com.sg)

### About Simmons

Maker of Beautyrest<sup>®</sup>, BackCare<sup>®</sup> and Connoisseur<sup>™</sup>, the Atlanta-based Simmons Company entered the Singapore market in 1977. In Asia, the license to manufacture, distribute and Simmons Japan Co., a full subsidiary of Nifco Group, owns market Simmons a public listed plastic fastening company headquartered in Japan with a diverse business portfolio, which includes the Japan Times. Simmons (Southeast Asia) Pte Ltd, which was set up in 1993, reports to Simmons Japan and is the headquarters to 23 countries in Asia. Simmons (SEA) aims to be the leading bedding company with regional dominance. Simmons (SEA) has stores over eight countries in Asean regions and South-Asia region. Driven by the passion for better sleep, Simmons (SEA) strives to consistently deliver innovative products of premium quality, to provide a unique customer experience and overall total satisfaction to our consumers and continues to be committed to the relentless pursuit of developing superior quality mattresses to ultimately deliver better sleep.

### **Issued on behalf of:**

Simmons (Southeast Asia) Pte Ltd

### **By:**

Foreword Communications



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