

Sleep Country Canada Holdings Inc. Completes Initial Public Offering /NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES/

TORONTO, July 16, 2015 /CNW/ - Sleep Country Canada Holdings Inc. ("**Sleep Country**" or the "**Company**") (TSX:ZZZ) announced today the successful closing of its initial public offering (the "**Offering**") of common shares of the Company (the "**Shares**") at a price of \$17.00 per share. The Company issued 17,650,000 Shares under the Offering for total gross proceeds of \$300,050,000.

The Shares will commence trading today on the Toronto Stock Exchange under the symbol "ZZZ".

The Offering was made through a syndicate of underwriters led by TD Securities Inc. and BMO Nesbitt Burns Inc., and included CIBC World Markets Inc., Scotia Capital Inc., Credit Suisse Securities (Canada) Inc., GMP Securities L.P., National Bank Financial Inc. and Raymond James Ltd.

The underwriters were granted an over-allotment option (the "**Over-Allotment Option**") to purchase up to an additional 2,647,500 Shares from the Company at a price of \$17.00 per Share for additional gross proceeds of approximately \$45,007,500 if the Over-Allotment Option is exercised in full. The Over-Allotment Option can be exercised for a period of 30 days from the closing date.

In connection with the Offering, the Company also completed the acquisition (the "**Acquisition**") of Sleep Country Canada Inc. and certain of its affiliates (collectively, the "**Acquired Entities**") for an aggregate purchase price of \$461,673,036 (the "**Purchase Price**"). The net proceeds of the Offering were used by the Company to satisfy a portion of the Purchase Price with the balance being satisfied by the issuance of Shares and acquisition notes to certain of the shareholders of the Acquired Entities.

No securities regulatory authority has approved or disapproved of the contents of this press release. This press release does not constitute an offer to sell or a solicitation of an offer to buy any securities of the Company in any jurisdiction in which such offer, solicitation or sale would be unlawful. These securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold in the United States or to or for the benefit of U.S. persons absent registration or pursuant to an applicable exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws.

About Sleep Country

Sleep Country is Canada's leading mattress retailer and the only specialty mattress retailer with a national footprint in Canada. Sleep Country operates under two mattress retail banners: "Dormez-vous?", the largest retailer of mattresses in Québec; and "Sleep Country Canada", the largest mattress retailer in the rest of Canada. As at March 31, 2015, Sleep Country had 215 stores and 16 distribution centres across Canada. All of the Company's stores are corporate-owned, enabling it to develop and maintain a strong culture of customer service, resulting in a consistent and superior in-store and home delivery customer experience.

Forward-Looking Information

Certain information in this press release, including statements relating to the exercise of the over-allotment option and the use of proceeds thereof, constitutes forward-looking information. In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "is positioned", "estimates", "intends", "assumes", "anticipates" or "does not anticipate" or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will" or "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events.

Forward-looking information is necessarily based on a number of opinions, assumptions and estimates that, while considered reasonable by the Company as of the date of this press release, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the factors described in greater detail in the "Risk Factors" section of the final prospectus available at www.sedar.com. These factors are not intended to represent a complete list of the factors that could affect the Company; however, these factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. The

forward-looking statements contained in this press release are made as of the date of this press release, and the Company expressly disclaims any obligation to update or alter statements containing any forward-looking information, or the factors or assumptions underlying them, whether as a result of new information, future events or otherwise, except as required by law.

SOURCE Sleep Country Canada Holdings Inc.

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