

Sleep Country Canada Announces \$185 Million Secondary Offering

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Sleep Country Canada Holdings Inc. ("Sleep Country" or the "Company") (TSX:ZZZ) announced today that Birch Hill Feather LP, Birch Hill Feather (US) Holdings LP and Panzer Limited (collectively, the "Selling Shareholders") have entered into an agreement with the Company and a syndicate of underwriters co-led by TD Securities Inc. and BMO Capital Markets, pursuant to which the underwriters will purchase from the Selling Shareholders, on a bought deal basis, 10,000,000 common shares of the Company (the "Shares") at a price of \$18.50 per Share (the "Issue Price") for gross proceeds of \$185,000,000 (the "Offering"). The Selling Shareholders have also granted the underwriters an over-allotment option to purchase up to an additional 1,500,000 Shares at the Issue Price, exercisable in whole or in part at any time for a period of up to 30 days following closing of the Offering, to cover over-allotments.

The Offering is expected to close on or about December 17, 2015 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals. Following closing of the Offering, the Selling Shareholders, either directly or indirectly, will have beneficial ownership and control over 7,104,998 Shares, representing an approximate 18.9% ownership interest in the Company (5,604,998 Shares, representing an approximate 14.9% ownership in the Company if the Over-Allotment Option is exercised in full). All proceeds from the Offering will be payable to the Selling Shareholders. The Company will not receive any proceeds from the Offering.

A preliminary short-form prospectus in connection with the Offering will be filed by no later than December 4, 2015 with the securities regulatory authorities in all provinces and territories of Canada. No securities regulatory authority has either approved or disapproved of the contents of this news release.

This press release is not an offer of securities for sale in the United States. The Shares being offered have not been and will not be registered under the United States Securities Act of 1933 (the "Act"), as amended and accordingly are not being offered for sale and may not be offered, sold or delivered, directly or indirectly within the United States, its possessions and other areas subject to its jurisdiction or to, or for the account, or for the benefit, of a U.S. person, unless registered under that Act or pursuant to an exemption from the registration requirements of that Act.

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 retailer of mattresses in the rest of Canada. As at September 30, 2015, Sleep Country had 224 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 news 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 dated July 10, 2015 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. Investor Relations

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