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

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended August 31, 2009.

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to .

Commission file number 001-16583.

ACUITY BRANDS, INC.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	**58-2632672** (I.R.S. Employer Identification Number)
1170 Peachtree Street, N.E., Suite 2400, Atlanta, Georgia (Address of principal executive offices)	**30309-7676** (Zip Code)

(404) 853-1400
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on which Registered
Common Stock ($0.01 Par Value)	New York Stock Exchange
Preferred Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by checkmark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by checkmark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☐ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-accelerated Filer ☐ Smaller Reporting Company ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes ☐ No ☒

Based on the closing price of the Registrant's common stock of $22.92 as quoted on the New York Stock Exchange on February 28, 2009, the aggregate market value of the voting stock held by nonaffiliates of the registrant was $929,359,495.

The number of shares outstanding of the registrant's common stock, $0.01 par value, was 43,286,241 shares as of October 29, 2009.

DOCUMENTS INCORPORATED BY REFERENCE

Location in Form 10-K	Incorporated Document
Part II, Item 5	Proxy Statement for 2009 Annual Meeting of Stockholders
Part III, Items 10, 11, 12, 13, and 14	Proxy Statement for 2009 Annual Meeting of Stockholders

Table of Contents

Index to Financial Statements

ACUITY BRANDS, INC.

Table of Contents

PART I

Item 1. *Business*

Overview

Acuity Brands, Inc. ("Acuity Brands") is the parent company of Acuity Brands Lighting, Inc. and other subsidiaries (collectively referred to herein as "the Company"). Acuity Brands was incorporated in 2001 under the laws of the State of Delaware. The Company designs, produces, and distributes a broad array of indoor and outdoor lighting fixtures, lighting controls, and related products and services for commercial and institutional, industrial, infrastructure, and residential applications for various markets throughout North America and select international markets. The Company has one operating segment.

The Company is one of the world's leading providers of lighting fixtures and lighting controls for new construction, renovation, and facility maintenance applications. Products include a full range of indoor and outdoor lighting for commercial and institutional, industrial, infrastructure, and residential applications. The Company manufactures or procures lighting products in the United States, Mexico, Europe, and China. These products and related services are marketed under numerous brand names, including Lithonia Lighting®, Holophane®, Peerless®, Mark Architectural Lighting™, Hydrel®, American Electric Lighting®, Gotham®, Carandini®, Metal Optics®, Antique Street Lamps™, Tersen™, Synergy® Lighting Controls, Lighting Control & Design®, Sensor Switch®, Dark to Light™ and ROAM®. As of August 31, 2009, the Company manufactures products in 14 plants in North America and two plants in Europe.

Principal customers include electrical distributors, retail home improvement centers, national accounts, electric utilities, municipalities, and lighting showrooms located in North America and select international markets. In North America, the Company's products are sold by independent sales agents and factory sales representatives who cover specific geographic areas and market segments. Products are delivered through a network of distribution centers, regional warehouses, and commercial warehouses using both common carriers and a company-owned truck fleet. To serve international customers, the Company employs a sales force that utilizes distribution methods to meet specific individual customer or country requirements. In fiscal 2009, North American sales accounted for approximately 97% of net sales. See Note 14: Geographic Information of the *Notes to Consolidated Financial Statements* for more information concerning the domestic and international net sales of the Company.

Specialty Products Business Spin-off

Acuity Brands completed the spin-off of its specialty products business (the "Spin-off"), Zep Inc. ("Zep"), on October 31, 2007, by distributing all of the shares of Zep common stock, par value $.01 per share, to the Company's stockholders of record as of October 17, 2007. The Company's stockholders received one Zep share, together with an associated preferred stock purchase right, for every two shares of the Company's common stock they owned. Stockholders received cash in lieu of fractional shares for amounts less than one full Zep share.

As a result of the Spin-off, the Company's financial statements have been prepared with the net assets, results of operations, and cash flows of the specialty products business presented as discontinued operations. All historical statements have been restated to conform to this presentation. Refer to Note 2 — *Discontinued Operations* of the *Notes to Consolidated Financial Statements*.

Industry Overview

Based on industry sources and government information, the Company estimates that in fiscal 2009 the size of the North American market for lighting fixtures, lighting controls, and related product and services that is served by the Company was approximately $10.0 billion. This includes non-portable light fixtures (as defined by the National Electrical Manufacturers Association), poles for outdoor lighting products, emergency lighting fixtures, and energy management and architectural lighting control systems. This market estimate is based on a combination of external industry data and internal estimates, and excludes portable and vehicular lighting fixtures and related lighting components, such as lighting ballasts and lamps. The U.S. market, which represents approximately 84% of the North American market, is relatively fragmented. The Company estimates that the top four manufacturers (including Acuity Brands Lighting) represent slightly above 50% of the total North American lighting equipment and controls market. The remainder of the North American lighting market is made up of hundreds of smaller lighting manufacturers.

The Company operates in a highly competitive industry that is affected by volatility in a number of general business and economic factors, such as gross domestic product growth, employment levels, credit availability and commodity costs. The Company's primary market, both non-residential and residential, is sensitive to the volatility of these general economic factors. Based on industry sources, the Company estimates that new construction and additions in fiscal 2009 and 2008 accounted for approximately 78% and 83%, respectively, of the non-residential market while alterations, including renovation and relighting, accounted for approximately 22% and 17%, respectively. This mix can vary over time depending on economic conditions. Subsequently, in light of the economic environment, new construction in the non-residential market declined at a more rapid rate than alterations, which caused the change in mix. Construction spending on infrastructure projects such as highways, streets, and urban developments also has a material impact on the demand for the Company's infrastructure-focused products. Demand for the Company's lighting products sold through its retail channels are highly dependent on economic drivers, such as consumer spending and discretionary income, along with housing construction and home improvement spending.

A growing source of demand for the lighting industry is being attributed to the renovation and replacement of lighting systems in existing buildings. The potential U.S. market size is estimated to be significant (possibly greater than $100 billion of installed base) due to square footage of existing non-residential buildings containing older, less efficient lighting systems.

The industry is influenced by the development of new lighting technologies, including light emitting diode ("LED"), electronic ballasts, embedded controls, and more effective optical designs; federal and state requirements for updated energy codes; incentives by federal, state, and local municipal authorities as well as utility companies for using more energy-efficient fixtures and controls; and design technologies addressing sustainability. Traditional lighting manufacturers, including the Company, are offering product solutions based on these technologies utilizing internally developed, licensed, or acquired intellectual property. In addition, traditional lighting manufacturers are experiencing competition from new entrants with a focus on new technology-based lighting solutions.

Consolidation remains a key trend in the lighting equipment and controls industry as well as the broader electrical industry leading to more extensive product offerings and increased globalization. Evidence of this trend are the recent combinations among electrical distributors, the 2008 acquisition by Koninklijke Philips Electronics N.V. of The Gentlyte Group Incorporated, and the Company's fiscal 2009 acquisitions of Sensor Switch, Inc. and Lighting Control & Design, Inc.

Products

The Company produces a wide variety of lighting fixtures and related products and services used in the following applications:

- ***Commercial & Institutional*** — Applications are represented by stores, hotels, offices, schools, and hospitals, as well as other government and public buildings. Products that serve these applications include recessed, surface and suspended lighting products, recessed downlighting, and track lighting, as well as special application lighting products. The outdoor areas associated with these application products are addressed by a variety of outdoor lighting products, such as area and flood lighting, decorative site lighting, and landscape lighting.

- ***Industrial*** — Applications primarily include warehouses and manufacturing facilities, utilizing a variety of glass and acrylic high intensity discharge ("HID") and fluorescent lighting products.
- ***Infrastructure*** — Applications include highways, tunnels, airports, railway yards, and ports. Products that serve these applications include street, area, high-mast, off-set roadway, and sign lighting.
- ***Residential*** — Applications are addressed with a combination of decorative fluorescent and downlighting products, as well as utilitarian fluorescent products.
- ***Controls*** — Applications include commercial and institutional, industrial, infrastructure, and residential. Products include occupancy sensors, photocontrols, relay panels, architectural dimming panels, and integrated controls systems.
- ***Other Applications & Products*** — Other products include emergency lighting fixtures and flexible wiring systems, which are primarily used in non-residential buildings.
- ***Services*** — Applications include monitoring and controlling of lighting systems through machine to machine wireless network technology in the utility and municipality markets, as well as energy audit and turn-key labor renovation and relight services in the commercial, industrial, retail, manufacturing, and warehousing markets.

Lighting fixtures sold for numerous applications in a multitude of industry segments accounted for approximately 84%, 85%, and 86% of total consolidated net sales for Acuity Brands in fiscal 2009, 2008, and 2007, respectively. This does not include sales related to items such as controls, wiring products, poles, emergency lighting, and services.

Sales and Marketing

Sales. The Company sells to customers in the North American market with separate sales forces targeted at delivering value added products and services to specific customer, channel, and geographic segments. As of August 31, 2009, these sales forces consist of approximately 300 company-employed salespeople and a network of approximately 200 independent sales agencies, each of which employs numerous salespeople. The Company also operates two separate European sales forces and an international sales group coordinating export sales outside of North America and Europe.

Marketing. The Company markets its products to end users in multiple channels through a broad spectrum of marketing and promotional vehicles, including direct customer contact, trade shows, on-site training, print advertising in industry publications, product brochures, and other literature, as well as the Internet and other electronic media. The Company owns and operates training and display facilities in numerous locations throughout the U.S. designed to enhance the lighting knowledge of customers and lighting professionals throughout the industry.

Customers

Customers of the Company include electrical distributors, retail home improvement centers, national accounts, electric utilities, utility distributors, municipalities, contractors, lighting showrooms, and energy service companies. In addition, there are a variety of other professionals, which for any given project could represent a significant influence in the product specification process. These generally include contractors, engineers, architects, and lighting designers.

A single customer of the Company, The Home Depot, accounted for approximately 11% of net sales of the Company in both fiscal 2009 and 2008 and 13% in fiscal 2007. The loss of The Home Depot's business could temporarily adversely affect the Company's results of operations.

Manufacturing

The Company operates 16 manufacturing facilities, including eight facilities in the United States, six facilities in Mexico, and two facilities in Europe. The Company utilizes a blend of internal and outsourced manufacturing processes and capabilities to fulfill a variety of customer needs in the most cost-effective manner. Critical processes, including assembly, reflector forming and anodizing and high-end glass production, are primarily performed at company-owned facilities, offering the ability to differentiate end-products through superior capabilities. Other critical components, such as lamps, LEDs, sockets, ballasts, and power supplies are purchased primarily from outside vendors. Investment is focused on improving capabilities, product quality, and manufacturing efficiency. Outsourcing production and distribution to local suppliers' factories and warehouses also provides an opportunity to lower Company-owned component inventory while maintaining high service levels through frequent just-in-time deliveries. The Company also utilizes contract manufacturing from U.S., Asian, and European sources for certain products and purchases certain finished goods, including poles, to complement its area lighting fixtures and a variety of residential and commercial lighting equipment. In fiscal 2009, net sales of finished product manufactured by others accounted for approximately 22% of the Company's net sales, U.S. operations produced approximately 29%; Mexico produced approximately 46%; and Europe produced approximately 3%.

Management continues to focus on certain initiatives to make the Company more globally competitive. One of these initiatives relates to enhancing the Company's global supply chain and includes the consolidation of certain manufacturing facilities into more efficient locations. Since the beginning of fiscal 2002, the Company has closed 13 manufacturing facilities and in fiscal 2009 downsized one, which reduced the total square footage used for manufacturing by approximately 32%.

Distribution

Products are delivered through a network of strategically located distribution centers, regional warehouses, and commercial warehouses in North America using both common carriers and a company-owned truck fleet. For international customers, distribution methods are adapted to meet individual customer or country requirements.

Research and Development

Research and development ("R&D") efforts are targeted toward the development of products with an ever-increasing performance-to-cost ratio and energy efficiency, while close relationships with lamp, ballast, LED, and power supply manufacturers are maintained to understand technology enhancements and incorporate them in the Company's fixture designs. For fiscal 2009, 2008, and 2007, research and development expense totaled $20.8 million, $30.3 million, and $31.3 million, respectively. The decrease in the fiscal 2009 expense was due primarily to lower incentive compensation associated with R&D associates.

Competition

The lighting equipment and controls industry served by the Company is highly competitive, with the largest suppliers serving many of the same markets and competing for the same customers. Competition is based on numerous factors, including brand name recognition, price, product quality, product design, energy efficiency, customer relationships, and service capabilities. The Company's primary competitors in the North American lighting equipment and controls industry include Cooper Industries Ltd., Hubbell Incorporated, and Koninklijke Philips Electronics N.V. The Company estimates that the four largest lighting manufacturers (including Acuity Brands Lighting) have slightly above a 50% share of the total North American lighting equipment and controls market. In addition to these primary competitors, the Company also competes with hundreds of smaller lighting manufacturers, numerous lighting controls manufacturers of varying size, and, to a lesser degree, large, diversified global electronics companies.

The market is competitive for the lighting and lighting-related fixture market and continues to evolve. Consolidation remains a key trend. Certain broader and more global electrical manufacturers may be able to obtain a competitive advantage over the Company by offering broader and more integrated electrical solutions utilizing electrical, lighting, and building automation products. In addition, there has been a growing number of new technology-based lighting manufacturers offering LED product solutions to potentially compete with traditional lighting manufacturers.

Environmental Regulation

The operations of the Company are subject to numerous comprehensive laws and regulations relating to the generation, storage, handling, transportation, and disposal of hazardous substances, as well as solid and hazardous wastes, and to the remediation of contaminated sites. In addition, permits and environmental controls are required for certain of the Company’s operations to limit air and water pollution, and these permits are subject to modification, renewal, and revocation by issuing authorities. On an ongoing basis, the Company allocates considerable resources, including investments in capital and operating costs relating to environmental compliance. Environmental laws and regulations have generally become stricter in recent years, and state and federal governments domestically and internationally are considering new laws and regulations governing raw material composition, air emissions, and energy-efficiency. The Company is not aware of any pending legislation or proposed regulation related to environmental issues that would have a material adverse effect on the Company. The cost of responding to future changes, however, may be substantial. See Item 3: *Legal Proceedings* for further discussion of environmental matters.

Raw Materials

The products produced by the Company require certain raw materials, including certain grades of steel and aluminum, electrical components, plastics, and other petroleum-based materials and components. In fiscal 2009, the Company purchased approximately 114,000 tons of steel and aluminum. The Company estimates that less than 10% of purchased raw materials are petroleum-based. Additionally, the Company estimates that approximately 3.2 million gallons of diesel fuel was consumed in fiscal 2009 through the Company’s distribution activities. The Company purchases most raw materials on the open market and relies on third parties for providing certain finished goods. Accordingly, the cost of products sold may be affected by changes in the market price of raw materials or the sourcing of finished goods.

The Company does not currently engage in or expect to engage in significant commodity hedging transactions for raw materials, though the Company has and will continue to commit to purchase certain materials for a period of up to 12 months. Significant increases in the prices of the Company’s products due to increases in the cost of raw materials could have a negative effect on demand for products and on profitability. While the Company has generally been able to pass along these increases in cost in the form of higher selling prices for its products, there can be no assurance that future disruptions in either supply or price of these materials will not negatively affect future results.

The Company constantly monitors and investigates alternative suppliers and materials based on numerous attributes including quality, service, and price. The Company’s ongoing efforts to improve the cost effectiveness of its products and services may result in a reduction in the number of its suppliers. A reduction in the number of suppliers could cause increased risk associated with reliance on a limited number of suppliers for certain raw materials, component parts (such as lamps, LEDs, ballasts, and power supplies), and finished goods.

Backlog Orders

The Company produces and stocks quantities of inventory at key distribution centers and warehouses throughout North America. The Company ships approximately 40% of sales orders during the month that those orders are placed. Sales order backlogs, believed to be firm as of August 31, 2009 and 2008, were $137.0 million and $177.1 million, respectively.

Patents, Licenses and Trademarks

The Company owns or has licenses to use various domestic and foreign patents and trademarks related to its products, processes, and businesses. These intellectual property rights, particularly the trademarks relating to the products of the Company, are important factors for its businesses. To protect these proprietary rights, the Company relies on copyright, patent, trade secret, and trademark laws. Despite these protections, unauthorized parties may attempt to infringe on the intellectual property of the Company. Management is not aware of any pending claims where the Company does not have the right to use any intellectual property material to the Company. While patents and patent applications in the aggregate are important to the competitive position of the Company, no single patent or patent application is individually material to the Company.

Seasonality and Cyclicality

The Company's business exhibits some seasonality, with net sales being affected by the impact of weather and seasonal demand on construction and installation programs, particularly during the winter months, as well as the annual budget cycles of major customers. Because of these seasonal factors, the Company has experienced, and generally expects to experience, its highest sales in the last two quarters of each fiscal year.

A significant portion of net sales relates to customers in the new construction and renovation markets, primarily for commercial and institutional applications. The new construction market is cyclical in nature and subject to changes in general economic conditions. Unit sales volume has a major impact on the profitability of the Company. Economic downturns and the potential decline in key construction markets may have a material adverse effect on the net sales and operating income of the Company.

International Operations

The Company manufactures and assembles products at numerous facilities, some of which are located outside the United States. Approximately 49% of the products sold by the Company are manufactured outside the United States.

Of the Company's total products sold, approximately 46% is produced in six facilities in Mexico. Most of these products are authorized to operate as Maquiladoras by the Ministry of Economy of Mexico. Maquiladora status allows the Company to import certain items from the United States into Mexico duty-free, provided that such items, after processing, are re-exported from Mexico within 18 months. Maquiladora status, which is renewed every year, is subject to various restrictions and requirements, including compliance with the terms of the Maquiladora program and other local regulations. The Company may be required to make additional investments in automated equipment to partially offset potential increases in labor and wage costs.

The Company's initiatives to become more globally competitive include streamlining its global supply chain by reducing the number of manufacturing facilities and enhancing the Company's worldwide procurement and sourcing capabilities. Management believes these initiatives will result in increased production in international locations, primarily Mexico, and will result in increased worldwide procurement and sourcing of certain raw materials, component parts, and finished goods. As a consequence, economic, political, military, social, or other events in a country where the Company manufactures, procures, or sources a significant amount of raw materials, component parts, or finished goods, could interfere with the Company's operations and negatively impact the Company's business.

For fiscal 2009, net sales outside the U.S. represented approximately 11% of total net sales. See Note 14 of the *Notes to Consolidated Financial Statements* for additional information regarding the geographic distribution of net sales, operating profit, and long-lived assets.

Information Concerning Acuity Brands

The Company makes its Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K (and all amendments to these reports), together with all reports filed pursuant to Section 16 of the Securities Exchange Act of 1934 by the Company's officers, directors, and beneficial owners of 10% or more of the Company's common stock, available free of charge through the "SEC Filings" link on the Company's website, located at *www.acuitybrands.com*, as soon as reasonably practicable after they are filed with or furnished to the SEC. Information included on the Company's website is not incorporated by reference into this Annual Report on Form 10-K. The Company's reports are also available at the Securities and Exchange Commission's Public Reference Room at 100 F. Street, NE, Washington, DC 20549 or on their website at *www.sec.gov*. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

Additionally, the Company has adopted a written Code of Ethics and Business Conduct that applies to all of the Company's directors, officers, and employees, including its principal executive officer and senior financial officers. The Code of Ethics and Business Conduct and the Company's Corporate Governance Guidelines are available free of charge through the "Corporate Governance" link on the Company's website. Additionally, the Statement of Responsibilities of Committees of the Board and the Statement of Rules and Procedures of Committees of the Board, which contain the charters for the Company's Audit Committee, Compensation Committee, and Governance Committee, and the rules and procedures relating thereto, are available free of charge through the "Corporate Governance" link on the Company's website. Each of the Code of Ethics and Business Conduct, the Corporate Governance Guidelines, the Statement of Responsibilities of Committees of the Board, and the Statement of Rules and Procedures of Committees of the Board is available in print to any stockholder of the Company that requests such document by contacting the Company's Investor Relations department.

Employees

Acuity Brands employs approximately 6,000 people, of whom approximately 3,600 are employed in the United States, 2,100 in Mexico, 50 in Canada, and 200 in other international locations, including Europe and the Asia/Pacific region. Union recognition and collective bargaining arrangements are in place, covering approximately 3,400 persons (including approximately 1,500 in the United States). The Company believes that it has a good relationship with both its unionized and non-unionized employees.

Item 1a. *Risk Factors*

This filing contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. A variety of risks and uncertainties could cause Acuity Brands' actual results to differ materially from the anticipated results or other expectations expressed in the Company's forward-looking statements. See "Cautionary Statement Regarding Forward-Looking Statements" on page 37. These risks include, without limitation:

Risks Related to the Business of Acuity Brands, Inc.

General business and economic conditions may affect demand for the Company's products and services which could impact results from operations.

The Company competes based on such factors as name recognition and reputation, service, product features, innovation, and price. In addition, the Company operates in a highly competitive environment that is influenced by a number of general business and economic factors, such as general economic vitality, employment levels, credit availability, interest rates and commodity costs. Declines in general economic activity may negatively impact new construction, renovation, and relight projects, which in turn may impact demand for the Company's product and service offerings. The impact of these factors could adversely affect the Company's financial position, results from operations, and cash flows.

Tightening credit conditions could negatively impact demand for the Company's products and services.

The impact of tightening credit conditions has and could continue to impair the ability of real estate developers, property owners, and contractors to effectively access capital markets or obtain reasonable costs of capital on borrowed funds, resulting in a decline in construction, renovation, and relight projects. The inability of these constituents to borrow money to fund construction and renovation projects reduces the demand for the Company's products and services and may adversely affect the Company's results from operations and cash flow. The lack of credit availability and higher borrowing costs over the last two years have negatively impacted the Company's results from operations by reducing orders from both residential and non-residential customers.

Acuity Brands is heavily dependent on the strength of construction activity.

Sales of lighting equipment depend significantly on the level of activity in new construction and renovations. Demand for non-residential construction and renovation is driven by many factors, including but not limited to economic activity, employment levels, credit availability, interest rates, accessibility to public financing, and trends in vacancy rates and rent values. Demand for new residential construction and remodeling is also affected by interest rates and credit availability, as well as the supply of existing homes, price appreciation, and household formation rates. Significant declines in either non-residential or residential construction activity could significantly impact the Company's results from operations and cash flow. During fiscal 2009, both the Company and the industry experienced declines in sales volumes resulting from weakness in both the non-residential and residential construction markets due to the weak economic environment.

Acuity Brands' results may be adversely affected by fluctuations in the cost or availability of raw materials and components.

The Company utilizes a variety of raw materials and components in its production process including steel, aluminum, lamps, LEDs, ballasts, power supplies, petroleum-based by-products, natural gas, and copper. Failure to effectively manage future increases in the costs of these items could adversely affect operating margins. There can be no assurance that future raw material and component price increases will be successfully passed through to customers. The Company sources these goods from a number of suppliers and is, therefore, reasonably insulated from risks affecting any one supplier. Profitability and volume could be negatively impacted by limitations inherent within the supply chain of certain of these component parts, including competitive, governmental, legal, natural disasters, and other events that could impact both supply and price.

Acuity Brand's results may be adversely affected by the Company's inability to maintain pricing.

Aggressive pricing actions by competitors may affect the Company's ability to achieve desired unit volume growth and profitability levels under its current pricing strategies. The Company may also decide to lower pricing to match the competition. Additionally, the Company may not be able to increase prices to cover rising costs of components and raw materials. Even if the Company were able to increase prices to cover costs, competitive pricing pressures may not allow the Company to pass on any more than the cost increases which could negatively impact gross margin percentages. Alternatively, if component and raw material costs were to decline, the marketplace may not allow the Company to hold prices at their current levels, which could negatively impact both net sales and gross margins.

Acuity Brands may experience difficulties in the consolidation of manufacturing facilities which could impact the shipments to customers, product quality, and the ability to realize the expected savings from accelerated streamlining actions.

During fiscal 2009, the Company announced plans to accelerate its ongoing programs to streamline operations including the consolidation of certain manufacturing facilities and the reduction of overhead costs. Upon completion of these actions, the Company expects to realize annualized benefits of more than $50 million. The Company will gain from such activity only to the extent that it can effectively leverage assets, personnel, and operating processes in the transition of production between manufacturing facilities. Uncertainty is inherent within the facility consolidation process, and unforeseen circumstances could offset the anticipated benefits, disrupt service to customers, and impact product quality.

Tightening credit conditions could impair the Company's ability to effectively access capital markets.

Tightening credit conditions as well as changes in interest and foreign currency rates could impair the Company's ability to effectively access capital. This could impair the Company's ability to refinance debt as it becomes due or to obtain additional credit, if needed. The inability to effectively access capital markets could adversely affect the Company's financial position, results from operations and cash flows.

Acuity Brands is subject to risks related to operations outside the United States.

The Company has substantial activities outside of the United States including sourcing of products, materials, and components. The Company's operations, as well as those of key vendors, are therefore subject to regulatory, economic, political, military, and other events in countries where these operations are located, particularly Mexico. In addition to the risks that are common to both the Company's domestic and international operations, the Company faces risks specifically related to its foreign operations, including but not limited to: foreign currency fluctuations; unstable political, social, regulatory, economic, financial, and market conditions; potential for privatization and other confiscatory actions; trade restrictions and disruption; criminal activities; and unforeseen increases in tariffs and taxes. The Company continues to monitor conditions affecting its international locations. Some of these risks may have a material adverse effect on the Company's business, financial condition, results from operations, and cash flows in the future.

Acuity Brands is subject to a broad range of environmental, health, and safety laws and regulations in the jurisdictions in which it operates, and the Company may be exposed to substantial environmental, health, and safety costs and liabilities.

The Company is subject to a broad range of environmental, health, and safety laws and regulations in the jurisdictions in which the Company operates. These laws and regulations impose increasingly stringent environmental, health, and safety protection standards and permitting requirements regarding, among other things, air emissions, wastewater storage, treatment, and discharges, the use and handling of hazardous or toxic materials, waste disposal practices, and the remediation of environmental contamination and working conditions for the Company's employees. Some environmental laws, such as Superfund, the Clean Water Act, and comparable laws in U.S. states and other jurisdictions world-wide, impose joint and several liability for the cost of environmental remediation, natural resource damages, third party claims, and other expenses, without regard to the fault or the legality of the original conduct, on those persons who contributed to the release of a hazardous substance into the environment. These laws may impact the manufacture and distribution of the Company's products and place restrictions on the products the Company can sell in certain geographical locations.

The costs of complying with these laws and regulations, including participation in assessments and remediation of contaminated sites and installation of pollution control facilities, have been, and in the future could be, significant. In addition, these laws and regulations may also result in substantial environmental liabilities associated with divested assets, third party locations, and past activities. The Company has established reserves for environmental remediation activities and liabilities where appropriate. However, the cost of addressing environmental matters (including the timing of any charges related thereto) cannot be predicted with certainty, and these reserves may not ultimately be adequate, especially in light of potential changes in environmental conditions, changing interpretations of laws and regulations by regulators and courts, the discovery of previously unknown environmental conditions, the risk of governmental orders to carry out additional compliance on certain sites not initially included in remediation in progress, the Company's potential liability to remediate sites for which provisions have not previously been established and the adoption of more stringent environmental laws. Such future developments could result in increased environmental costs and liabilities and could require significant capital and other ongoing expenditures, any of which could have a material adverse effect on the Company's financial condition or results. In addition, the presence of environmental contamination at the Company's properties could adversely affect its ability to sell property, receive full value for a property, or use a property as collateral for a loan.

Acuity Brands may develop unexpected legal contingencies or matters that exceed insurance coverage.

The Company is subject to various claims, including legal claims arising in the normal course of business. The Company is insured up to specified limits for certain types of claims with a self-insurance retention of $0.5 million per occurrence, including product liability claims, and is fully self-insured for certain other types of claims, including environmental, product recall, commercial disputes, and patent infringement. The Company establishes reserves for legal claims when the costs associated with the claims become probable and can be reasonably estimated. The actual costs of resolving legal claims may be substantially higher or lower than the level of insurance coverage held by the Company and/or the amounts reserved for such claims. In the event of unexpected future developments, it is possible that the ultimate resolutions of such matters, if unfavorable, could have a material adverse effect on the Company's results from operations, financial position, or cash flows. The Company's insurance coverage is negotiated on an annual basis, and insurance policies in the future may have coverage exclusions that could cause claim-related costs to rise.

Acuity Brands may pursue future growth through strategic acquisitions and alliances which may not yield anticipated benefits.

The Company has and may continue to seek to improve its business through strategic acquisitions and alliances. The Company will gain from such activity only to the extent that it can effectively leverage the assets, including personnel, technology and operating processes, of the acquired businesses and alliances. Uncertainty is inherent within the acquisition and alliance process, and unforeseen circumstances arising from recent and future acquisitions or alliances could offset their anticipated benefits. In addition, unanticipated events, negative revisions to valuation assumptions and estimates, and/or difficulties in attaining synergies, among other factors, could adversely affect the Company's ability to recover initial and subsequent investments, particularly those related to acquired goodwill and intangible assets. Any of these factors could adversely affect the Company's financial condition, results from operations, and cash flows.

Technological developments and increased competition could affect the Company's operating profit margins and sales volume.

The Company competes in an industry where technology and innovation play major roles in the competitive landscape. The Company is highly engaged in the investigation, development, and implementation of new technologies. Securing key partnerships and alliances as well as employee talent, including having access to technologies generated by others and the obtaining of appropriate patents, play a significant role in protecting the Company's intellectual property and development activities. Additionally, the continual development of new technologies (e.g., LED, OLED, lamp/ballast systems, etc.) by existing and new source suppliers looking for either direct market access or partnership with competing large manufacturers, coupled with significant associated exclusivity and/or patent activity, could adversely affect the Company's ability to sustain operating profit margin and desirable levels of sales volume. Technology developments may also increase competition from non-traditional competitors with greater resources.

Acuity Brands may be unable to sustain significant customer relationships.

Relationships forged with customers, including The Home Depot, which historically has represented slightly greater than 10% of the Company's total net sales, are directly impacted by the Company's ability to deliver high quality products and services. The Company does not have a written contract obligating The Home Depot to purchase its products. The loss of or substantial decrease in the volume of purchases by The Home Depot would harm the Company's sales, profitability and cash flow.

If Acuity Brands' products are improperly designed, manufactured, packaged, or labeled, the Company may need to recall those items and could be the target of product liability claims if consumers are injured.

The Company may need to recall products if they are improperly designed, manufactured, packaged, or labeled and does not maintain insurance for such events. The Company's quality control procedures relating to the raw materials, including packaging, that it receives from third-party suppliers, as well as the Company's quality control procedures relating to its products after those products are designed, manufactured, and packaged, may not be sufficient. The Company has previously initiated product recalls as a result of potentially faulty components, assembly, installation, and packaging of its products, and widespread product recalls could result in significant losses due to the costs of a recall, the destruction of product inventory, and lost sales due to the unavailability of product for a period of time. The Company may also be liable if the use of any of its products causes injury, and could suffer losses from a significant product liability judgment against the Company. A significant product recall or product liability case could also result in adverse publicity, damage to the Company's reputation, and a loss of consumer confidence in its products, which could have a material adverse effect on the Company's business, financial results, and cash flow.

Acuity Brands could be adversely affected by disruptions of its operations.

The breakdown of equipment or other events, including labor disputes, pandemics or catastrophic events such as war or natural disasters, leading to production interruptions in the Company's or one or more of its suppliers' plants could have a material adverse effect on the Company's financial results. Further, because many of the Company's customers are, to varying degrees, dependent on planned deliveries from the Company's plants, those customers that have to reschedule their own production or delay opening a facility due to the Company's missed deliveries could pursue financial claims against the Company. The Company may incur costs to correct any of these problems, in addition to facing claims from customers. Further, the Company's reputation among actual and potential customers may be harmed, resulting in a loss of business. While the Company has developed business continuity plans to support responses to such events or disruptions and maintains insurance policies covering, among other things, physical damage, business interruptions and product liability, these policies may not cover all losses. The Company could incur uninsured losses and liabilities arising from such events, including damage to its reputation, loss of customers, and suffer substantial losses in operational capacity, any of which could have a material adverse effect on its financial results and cash flow.

Failure of a Company operating or information system or a compromise of security with respect to an operating or information system or portable electronic device could adversely affect the Company's results from operations and financial condition or the effectiveness of internal controls over operations and financial reporting.

The Company is highly dependent on automated systems to record and process Company and customer transactions and certain other components of the Company's financial statements. The Company could experience a failure of one or more of these systems or could fail to complete all necessary data reconciliation or other conversion controls when implementing a new software system. The Company could also experience a compromise of its security due to technical system flaws, clerical, data input or record-keeping errors, or tampering or manipulation of those systems by employees or unauthorized third parties. Information security risks also exist with respect to the use of portable electronic devices, such as laptops and smartphones, which are particularly vulnerable to loss and theft. The Company may also be subject to disruptions of any of these systems arising from events that are wholly or partially beyond its control (for example, natural disasters, acts of terrorism, epidemics, computer viruses, and electrical/telecommunications outages). All of these risks are also applicable where the Company relies on outside vendors to provide services to it. Operating system failures, ineffective system implementation or disruptions, or the compromise of security with respect to operating systems or portable electronic devices could subject the Company to liability claims, harm the Company's reputation, interrupt the Company's operations, and adversely affect the Company's internal control over financial reporting, business, results from operations, financial condition or cash flow.

The inability to attract and retain talented employees and a loss of key employees could adversely affect the effectiveness of the Company's operations.

The Company relies upon the knowledge and experience of employees involved in functions throughout the organization that require technical expertise and knowledge of the industry. A loss of such employees could adversely impact the Company's ability to execute key operational functions and could adversely affect the Company's operations.

The risks associated with the inability to effectively execute its strategies could adversely affect the Company's results from operations and financial condition.

Various uncertainties and risks are associated with the implementation of a number of aspects of the Company's global business strategy, including but not limited to new product development, effective integration of acquisitions, and efforts to streamline operations. Those uncertainties and risks include, but are not limited to: diversion of management's attention; difficulty in retaining or attracting employees; negative impact on relationships with distributors and customers; obsolescence of current products and slow new product development; additional streamlining efforts; and unforeseen difficulties in the implementation of the management operating structure.

Risks Related to Ownership of Acuity Brands Common Stock

The market price and trading volume of the Company's shares may be volatile.

The market price of the Company's common shares could fluctuate significantly for many reasons, including for reasons unrelated to the Company's specific performance, such as reports by industry analysts, investor perceptions, or negative announcements by customers, competitors or suppliers regarding their own performance, as well as general economic and industry conditions. For example, to the extent that other large companies within the Company's industry experience declines in their share price, the Company's share price may decline as well. In addition, when the market price of a company's shares drops significantly, shareholders could institute securities class action lawsuits against the company. A lawsuit against the Company could cause the Company to incur substantial costs and could divert the time and attention of the Company's management and other resources.

Risks Related to the Spin-off of Zep Inc.

Failure of the distribution to qualify as a tax-free transaction could result in substantial liability.

Acuity Brands has received a private letter ruling from the Internal Revenue Service to the effect that, among other things, the Spin-off (including certain related transactions) qualifies as tax-free to Acuity Brands, Zep, and Acuity Brands' stockholders for United States federal income tax purposes under section 355 and related provisions of the Internal Revenue Code. Although a private letter ruling generally is binding on the Internal Revenue Service, if the factual assumptions or representations made in the private letter ruling request are untrue or incomplete in any material respect, then Acuity Brands will not be able to rely on the ruling. Moreover, the Internal Revenue Service will not rule on whether a distribution of shares satisfies certain requirements necessary to obtain tax-free treatment under section 355 of the Internal Revenue Code. Rather, the private letter ruling is based upon representations by Acuity Brands that those requirements have been satisfied, and any inaccuracy in those representations could invalidate the ruling.

Acuity Brands has received an opinion of King & Spalding LLP, counsel to Acuity Brands, to the effect that, with respect to the requirements referred to above on which the Internal Revenue Service will not rule, those requirements will be satisfied. The opinion is based on, among other things, certain assumptions and representations as to factual matters made by Acuity Brands and Zep which, if untrue or incomplete in any material respect, could jeopardize the conclusions reached by counsel in its opinion. The opinion is not binding on the Internal Revenue Service or the courts, and the Internal Revenue Service or the courts may not agree with the opinion.

If the Spin-off fails to qualify for tax-free treatment, a substantial corporate tax would be payable by Acuity Brands, measured by the difference between (1) the aggregate fair market value of the shares of Zep common stock on the date of the Spin-off and (2) Acuity Brands' adjusted tax basis in the shares of Zep common stock on the date of the Spin-off. The corporate level tax would be payable by Acuity Brands. However, Zep has agreed under certain circumstances to indemnify Acuity Brands for this tax liability. In addition, under the applicable Treasury regulations, each member of Acuity Brands' consolidated group at the time of the Spin-off (including Zep) is severally liable for such tax liability.

Furthermore, if the Spin-off does not qualify as tax-free, each Acuity Brands stockholder generally would be taxed as if he or she had received a cash distribution equal to the fair market value of the shares of Zep common stock on the date of the Spin-off.

Even if the Spin-off otherwise qualifies as tax-free, Acuity Brands nevertheless could incur a substantial corporate tax liability under section 355(e) of the Internal Revenue Code, if 50 percent or more of the stock of Acuity Brands or Zep were to be acquired as part of a "plan (or a series of related transactions)" that includes the distribution. For this purpose, any acquisitions of the stock of Acuity Brands or of Zep stock that occur within two years before or after the Spin-off are presumed to be part of such a plan, although Acuity Brands may be able to rebut that presumption. If such an acquisition of the stock of Acuity Brands or of Zep stock triggers the application of section 355(e), Acuity Brands would recognize taxable gain as described above, but the Spin-off would generally remain tax-free to the Acuity Brands stockholders. If acquisitions of Zep's stock trigger the application of section 355(e), Zep would be obligated to indemnify Acuity Brands for the resulting corporate-level tax liability.

Item 2. *Properties*

The general corporate offices of Acuity Brands are located in Atlanta, Georgia. Because of the diverse nature of operations and the large number of individual locations, it is neither practical nor meaningful to describe each of the operating facilities owned or leased by the Company. The following listing summarizes the significant facility categories:

Nature of Facilities	Owned	Leased
Manufacturing Facilities	11	5
Warehouses	—	2
Distribution Centers	2	4
Offices	6	23

The following table provides additional geographic information related to Acuity Brands' manufacturing facilities:

	United States	Mexico	Europe	Total
Owned	5	5	1	11
Leased	3	1	1	5
Total	8	6	2	16

None of the individual properties of Acuity Brands is considered to have a value that is significant in relation to the assets of Acuity Brands as a whole. Though a loss at certain facilities could have an impact on the Company's ability to serve the needs of its customers, the Company believes that the financial impact would be partially mitigated by various insurance programs in place. Acuity Brands believes that its properties are well maintained and are in good operating condition and that its properties are suitable and adequate for its present needs. The Company believes that it has additional capacity available at most of its production facilities and that it could increase production without substantial capital expenditures. As noted above, initiatives related to enhancing the global supply chain may continue to result in the consolidation of certain manufacturing facilities. However, the Company believes that the remaining facilities will have sufficient capacity to serve the current and projected needs of its customers.

Item 3. *Legal Proceedings*

General

Acuity Brands is subject to various legal claims arising in the normal course of business, including patent infringement and product liability claims. Acuity Brands is self-insured up to specified limits for certain types of claims, including product liability, and is fully self-insured for certain other types of claims, including environmental, product recall, and patent infringement. Based on information currently available, it is the opinion of management that the ultimate resolution of pending and threatened legal proceedings will not have a material adverse effect on the financial condition, results of operations, or cash flows of Acuity Brands. However, in the event of unexpected future developments, it is possible that the ultimate resolution of any such matters, if unfavorable, could have a material adverse effect on the financial condition, results of operations, or cash flows of Acuity Brands in future periods. Acuity Brands establishes reserves for legal claims when the costs associated with the claims become probable and can be reasonably estimated. The actual costs of resolving legal claims may be substantially higher than the amounts reserved for such claims. However, the Company cannot make a meaningful estimate of actual costs to be incurred that could possibly be higher or lower than the amounts reserved.

Environmental Matters

The operations of the Company are subject to numerous comprehensive laws and regulations relating to the generation, storage, handling, transportation, and disposal of hazardous substances, as well as solid and hazardous wastes, and to the remediation of contaminated sites. In addition, permits and environmental controls are required for certain of the Company’s operations to limit air and water pollution, and these permits are subject to modification, renewal, and revocation by issuing authorities. On an ongoing basis, Acuity Brands invests capital and incurs operating costs relating to environmental compliance. Environmental laws and regulations have generally become stricter in recent years. The cost of responding to future changes may be substantial. Acuity Brands establishes reserves for known environmental claims when the costs associated with the claims become probable and can be reasonably estimated. The actual cost of environmental issues may be substantially higher or lower than that reserved due to difficulty in estimating such costs.

Item 4. *Submission of Matters to a Vote of Security Holders*

No matters were submitted for a vote of the security holders during the three months ended August 31, 2009.

PART II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities***

The common stock of Acuity Brands is listed on the New York Stock Exchange under the symbol "AYI". At October 26, 2009, there were 3,925 stockholders of record. The following table sets forth the New York Stock Exchange high and low sale prices and the dividend payments for Acuity Brands' common stock for the periods indicated.

	Price per Share		Dividends
	High	Low	Per Share
2008			
First Quarter	$54.42	$34.04	$ 0.15
Second Quarter	$48.61	$36.33	$ 0.13
Third Quarter	$53.91	$38.40	$ 0.13
Fourth Quarter	$53.74	$36.89	$ 0.13
2009			
First Quarter	$46.19	$23.72	$ 0.13
Second Quarter	$36.88	$22.00	$ 0.13
Third Quarter	$31.34	$20.02	$ 0.13
Fourth Quarter	$33.28	$24.84	$ 0.13

Effective October 31, 2007, Acuity Brands completed the Spin-off of Zep Inc. Prices per share after October 31, 2007 reflect the impact of the Spin-off. Prices per share prior to October 31, 2007 do not reflect any adjustment as a result of the Spin-off. As a result of the Spin-off, Acuity Brands announced plans to pay quarterly dividends on its common stock at an initial annual rate of $0.52 per share. All decisions regarding the declaration and payment of dividends are at the discretion of the Board of Directors of Acuity Brands and will be evaluated from time to time in light of Acuity Brands' financial condition, earnings, growth prospects, funding requirements, applicable law, and any other factors that the Acuity Brands board deems relevant. The information required by this item with respect to equity compensation plans is included under the caption *Equity Compensation Plans* in the Company's proxy statement for the annual meeting of stockholders to be held January 8, 2010, to be filed with the Securities and Exchange Commission pursuant to Regulation 14A, and is incorporated herein by reference.

Since October 2005, the Company's Board of Directors has authorized the repurchase of 10 million shares of the Company's outstanding common stock, of which approximately 9.5 million had been repurchased as of August 31, 2009, though none were purchased during fiscal 2009. A remaining 512,300 shares may be purchased under the authorized program.

During fiscal 2009, the Company reissued 2.1 million shares from treasury stock as partial consideration for the acquisitions of Sensor Switch, Inc. ("Sensor Switch"), and Lighting Controls & Design, Inc.

Item 6. *Selected Financial Data*

The following table sets forth certain selected consolidated financial data of Acuity Brands which have been derived from the *Consolidated Financial Statements* of Acuity Brands for each of the five years in the period ended August 31, 2009. Amounts have been restated to reflect the specialty products business as discontinued operations as a result of the Spin-off. Refer to Part 1, Item 1 above for additional information regarding the Spin-off. This historical information may not be indicative of the Company's future performance. The information set forth below should be read in conjunction with *Management's Discussion and Analysis of Financial Condition and Results of Operations* and the *Consolidated Financial Statements* and the notes thereto.

	Years Ended August 31,				
	2009	2008	2007*	2006*	2005*
	(In thousands, except per-share data)				
Net sales	$ 1,657,404	$ 2,026,644	$ 1,964,781	$ 1,841,039	$ 1,637,902
Income from Continuing Operations	85,197	148,632	128,687	79,671	24,676
Income (loss) from Discontinued Operations	(288)	(377)	19,367	26,891	27,553
Net Income	84,909	148,255	148,054	106,562	52,229
Basic earnings per share from Continuing Operations	$ 2.09	$ 3.66	$ 3.02	$ 1.82	$ 0.57
Basic earnings (loss) per share from Discontinued Operations	(0.01)	(0.01)	0.45	0.61	0.64
Basic earnings per share	$ 2.08	$ 3.65	$ 3.48	$ 2.43	$ 1.21
Diluted earnings per share from Continuing Operations	$ 2.05	$ 3.57	$ 2.93	$ 1.75	$ 0.55
Diluted earnings (loss) per share from Discontinued Operations	(0.01)	(0.01)	0.44	0.59	0.62
Diluted earnings per share	$ 2.04	$ 3.56	$ 3.37	$ 2.34	$ 1.17
Cash and cash equivalents	18,683	297,096	213,674	80,520	86,740
Total assets*	1,290,603	1,408,691	1,617,867	1,444,116	1,442,215
Long-term debt (less current maturities)	22,047	203,953	363,877	363,802	363,737
Total debt	231,582	363,936	363,877	363,802	363,737
Stockholders' equity	672,140	575,546	671,966	475,476	491,636
Cash dividends declared per common share	0.52	0.54	0.60	0.60	0.60

* Total assets for years ended August 31, 2007, 2006, and 2005 include amounts related to discontinued operations.

Item 7. ***Management's Discussion and Analysis of Financial Condition and Results of Operations***

The following discussion should be read in conjunction with the *Consolidated Financial Statements* and related notes included within this report. References made to years are for fiscal year periods. Dollar amounts are in thousands, except share and per-share data and as indicated.

The purpose of this discussion and analysis is to enhance the understanding and evaluation of the results of operations, financial position, cash flows, indebtedness, and other key financial information of Acuity Brands and its subsidiaries for the years ended August 31, 2009 and 2008. For a more complete understanding of this discussion, please read the *Notes to Consolidated Financial Statements* included in this report.

Overview

Company

Acuity Brands Inc. ("Acuity Brands") is the parent company of Acuity Brands Lighting and other subsidiaries (collectively referred to herein as "the Company"). The Company, with its principal office in Atlanta, Georgia, employs approximately 6,000 people worldwide.

The Company designs, produces, and distributes a broad array of indoor and outdoor lighting fixtures and related products, including lighting controls, and services for commercial and institutional, industrial, infrastructure, and residential applications for various markets throughout North America and select international markets. The Company is one of the world's leading producers and distributors of lighting fixtures, with a broad, highly configurable product offering, consisting of roughly 500,000 active products as part of over 2,000 product groups, as well as lighting controls and other products, that are sold to approximately 5,000 customers. As of August 31, 2009, the Company operates 16 manufacturing facilities and six distribution facilities along with two warehouses to serve its extensive customer base.

Acuity Brands completed the Spin-off of its specialty products business, Zep, on October 31, 2007, by distributing all of the shares of Zep common stock, par value $.01 per share, to the Company's stockholders of record as of October 17, 2007. The Company's stockholders received one Zep share, together with an associated preferred stock purchase right, for every two shares of the Company's common stock they owned. Stockholders received cash in lieu of fractional shares for amounts less than one full Zep share.

As a result of the Spin-off, the Company's financial statements have been prepared with the net assets, results of operations, and cash flows of the specialty products business presented as discontinued operations. All historical statements have been restated to conform to this presentation.

Strategy

Throughout 2009, the Company made significant progress towards key initiatives designed to enhance and streamline its operations, including its product development and service capabilities, and create a stronger, more effective organization that is capable of more consistently achieving its long-term financial goals, which are as follows:

- Generating operating margins in excess of 12%;
- Growing earnings per share in excess of 15% per annum;
- Providing a return on stockholders' equity of 20% or better;
- Maintaining the Company's debt to total capitalization ratio below 40%; and
- Generating cash flow from operations less capital expenditures that is in excess of net income.

To increase the probability of the Company achieving these financial goals, management will continue to implement programs to enhance its capabilities at providing unparalleled customer service; creating a globally competitive cost structure; improving productivity; and introducing new and innovative products and services more rapidly and cost effectively. In addition, the Company has invested considerable resources to teach and train associates to utilize tools and techniques that accelerate success in these key areas as well as to create a culture that demands excellence through continuous improvement. Additionally, the Company promotes a “pay-for-performance” culture that rewards achievement, while closely monitoring appropriate risk-taking. The expected outcome of these activities will be to better position the Company to deliver on its full potential, to provide a platform for future growth opportunities, and to allow the Company to achieve its long-term financial goals. See the *Outlook* section below for additional information.

Liquidity and Capital Resources

The Company’s principle sources of liquidity are operating cash flows generated primarily from its business operations, cash on hand, and various sources of borrowings. The ability of Acuity Brands to generate sufficient cash flow from operations and access certain capital markets, including borrowing from banks, is necessary for the Company to fund its operations, to pay dividends, to meet its obligations as they become due, and to maintain compliance with covenants contained in its financing agreements.

Based on its cash on hand, availability under existing financing arrangements and current projections of cash flow from operations, the Company believes that it will be able to meet its liquidity needs over the next 12 months. These needs are expected to include funding its operations as currently planned, making anticipated capital investments, funding certain potential acquisitions, funding foreseen improvement initiatives, paying quarterly stockholder dividends as currently anticipated, paying principal and interest on borrowings as currently scheduled, and making required contributions into the Company’s employee benefit plans, as well as potentially repurchasing shares of Acuity Brands’ outstanding common stock as authorized by the Company’s Board of Directors. The Company currently expects to invest approximately $35.0 million primarily for equipment, tooling, and new and enhanced information technology capabilities during fiscal 2010.

The Company has $200 million of public notes scheduled to mature on August 2, 2010, and intends to refinance the notes prior to their maturity. While the Company believes it will be able to refinance the notes, the Company believes it will also have the ability to retire the notes as they come due based on available borrowing capacity under the Revolving Credit Facility, future cash provided by operations, and current cash balances. See Note 5: Debt and Lines of Credit of the *Notes to Consolidated Financial Statements*.

Cash Flow

The Company uses available cash and cash flow from operations, as well as proceeds from the exercise of stock options, if any, to fund operations and capital expenditures, to pay principal and interest on debt, to repurchase stock, to fund acquisitions, and to pay dividends. The Company’s available cash position at August 31, 2009 was $18.7 million, a decrease of $278.4 million from August 31, 2008. The decrease in the Company’s available cash position was due primarily to the repayment of $162.4 million of debt, $162.1 million used for acquisitions, $21.6 million used for dividends paid, partially offset by cash provided by operating activities and proceeds from the exercise of stock options.

During fiscal 2009, the Company generated $92.7 million of net cash from operating activities compared with $221.8 million generated in the prior-year period, a decrease of $129.1 million. Net cash provided by operating activities decreased due primarily to lower net income and the payment of employee incentive compensation totaling approximately $37.8 million, which was attributable to fiscal 2008 performance.

Operating working capital (calculated by adding accounts receivable, net, plus inventories, and subtracting accounts payable) as a percentage of net sales increased to 12.4% at the end of fiscal 2009 from 10.3% at the end of fiscal 2008, due primarily to higher inventory levels as a percentage of net sales. At August 31, 2009, the current ratio (calculated as total current assets divided by total current liabilities) of the Company was 0.9 compared with 1.4 at August 31, 2008. This reduction in the current ratio was due primarily due to the reduction in cash described above and the short-term classification at August 2009 of the $200 million notes that are due in August 2010.

Management believes that investing in assets and programs that will over time increase the overall return on its invested capital is a key factor in driving stockholder value. The Company invested $21.2 million and $27.2 million in fiscal 2009 and 2008, respectively, primarily for new tooling, machinery, equipment, and information technology. As noted above, the Company expects to invest approximately $35.0 million for new plant, equipment, tooling, and new and enhanced information technology capabilities during fiscal 2010.

Contractual Obligations

The following table summarizes the Company's contractual obligations at August 31, 2009:

		Payments Due by Period			
	Total	Less than One Year	1 to 3 Years	4 to 5 Years	After 5 Years
Debt[(1)]	$ 231,582	$ 209,535	$ 18,047	$ —	$ 4,000
Interest Obligations[(2)]	127,366	30,327	18,878	20,257	57,904
Operating Leases[(3)]	48,427	14,427	21,940	8,936	3,124
Purchase Obligations[(4)]	82,356	81,739	617	—	—
Other Long-term Liabilities[(5)]	52,278	6,356	12,002	9,762	24,158
Total	$ 542,009	$ 342,384	$ 71,484	$ 38,955	$ 89,186

(1) These amounts (which represent the amounts outstanding at August 31, 2009) are included in the Company's *Consolidated Balance Sheets*. See Note 5: Debt and Lines of Credit for additional information regarding debt and other matters.

(2) These amounts represent the expected future interest payments on debt held by the Company at August 31, 2009 and the Company's loans related to its corporate-owned life insurance policies ("COLI"). The substantial majority of interest payments on debt included in this table are based on fixed rates. COLI-related interest payments included in this table are estimates. These estimates are based on various assumptions, including age at death, loan interest rate, and tax bracket. The amounts in this table do not include COLI-related payments after ten years due to the difficulty in calculating a meaningful estimate that far in the future. Note that payments related to debt and the COLI are reflected on the Company's *Consolidated Statements of Cash Flows*.

(3) The Company's operating lease obligations are described in Note 8: Commitments and Contingencies.

(4) Purchase obligations include commitments to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including open purchase orders.

(5) These amounts are included in the Company's *Consolidated Balance Sheets* and largely represent other liabilities for which the Company is obligated to make future payments under certain long-term employee benefit programs. Estimates of the amounts and timing of these amounts are based on various assumptions, including expected return on plan assets, interest rates, and other variables. The amounts in this table do not include amounts related to future funding obligations under the defined benefit pension plans. The amount and timing of these future funding obligations are subject to many variables and also depend on whether or not the Company elects to make contributions to the pension plans in excess of those required under ERISA. Such voluntary contributions may reduce or defer the funding obligations. See Note 4: Pension and Profit Sharing Plans for additional information. These amounts exclude $7.2 million of unrecognized tax benefits, including interest and penalties, as a reasonably reliable estimate of the period of cash settlement with the respective taxing authorities cannot be determined.

Capitalization

The current capital structure of the Company is comprised principally of senior notes and equity of its stockholders. As of August 31, 2009, the Company had total debt outstanding of $231.6 million which consisted primarily of fixed-rate obligations. During fiscal 2009, total debt outstanding decreased $132.3 million from $363.9 million at August 31, 2008, due primarily to the repayment of the $160 million 6% notes, which matured on February 2, 2009, partially offset by the issuance of a $30 million unsecured promissory note issued as partial consideration for the acquisition of Sensor Switch.

On October 19, 2007, the Company executed a $250 million revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility matures in October 2012 and contains financial covenants including a minimum interest coverage ratio and a leverage ratio ("Maximum Leverage Ratio") of total indebtedness to EBITDA (earnings before interest, taxes, depreciation and amortization expense), as such terms are defined in the Revolving Credit Facility agreement. These ratios are computed at the end of each fiscal quarter for the most recent 12-month period. The Revolving Credit Facility allows for a Maximum Leverage Ratio of 3.50, subject to certain conditions defined in the financing agreement. The Company was in compliance with all financial covenants and had no outstanding borrowings at August 31, 2009 under the Revolving Credit Facility. At August 31, 2009, the Company had borrowing capacity under the Revolving Credit Facility of $242.7 million under the most restrictive covenant in effect at the time, which represents the full amount of the Revolving Credit Facility less outstanding letters of credit of $7.3 million.

In December 2008, the Company commenced a cash tender offer to purchase any and all of its outstanding $160 million 6% notes due February 2, 2009 (the "Notes"). On December 9, 2008, a total aggregate principal amount of $12.6 million, representing approximately 7.9% of the outstanding Notes, was validly tendered in the offer at a discounted price of $990.00 per $1,000.00. The total consideration plus the applicable accrued and unpaid interest was paid to the tendering holders on the settlement date, December 10, 2008. The gain, net of expenses, was immaterial. The remaining $147.4 million of the Notes matured on February 2, 2009, and the Company repaid the outstanding balance with cash on hand.

The Company has $200 million of outstanding public notes scheduled to mature on August 2, 2010. The Company intends to refinance the notes prior to their maturity. While the Company believes it will be able to refinance the notes, the Company believes it will also have the ability to retire the notes as they come due based on available borrowing capacity under the Revolving Credit Facility, future cash provided by operations, and current cash balances. See Note 5: Debt and Lines of Credit of the *Notes to Consolidated Financial Statements*. In addition, the Company's Board of Directors may authorize the Company's management to explore opportunistic repurchases of indebtedness.

On April 20, 2009, the Company issued a three-year $30 million 6% unsecured promissory note to the sole shareholder of Sensor Switch, who continued as an employee of the Company upon completion of the acquisition, as partial consideration for the acquisition of Sensor Switch. Scheduled quarterly payments on the note began on July 1, 2009 with the last payment due April 1, 2012. The lender has certain rights to accelerate the note should the Company refinance the $200 million public notes.

During fiscal 2009, the Company's consolidated stockholders' equity increased $96.6 million to $672.1 million at August 31, 2009 from $575.5 million at August 31, 2008. The increase was due primarily to net income earned in the period, stock issued as partial consideration for acquired businesses, and stock issuances associated with employee incentive compensation programs, partially offset by the payment of dividends, unfavorable currency translation adjustments, and an increase in pension obligations. The Company's debt to total capitalization ratio (calculated by dividing total debt by the sum of total debt and total stockholders' equity) was 25.6% and 38.7% at August 31, 2009 and August 31, 2008, respectively. The ratio of debt, net of cash, to total capitalization, net of cash, was 24.1% at August 31, 2009 and 10.4% at August 31, 2008.

Dividends

Acuity Brands paid dividends on its common stock of $21.6 million ($0.52 per share) during 2009 compared with $22.5 million ($0.54 per share) in 2008. Acuity Brands currently plans to pay quarterly dividends at a rate of $0.13 per share. All decisions regarding the declaration and payment of dividends by Acuity Brands are at the discretion of the Board of Directors of Acuity Brands and will be evaluated from time to time in light of the Company's financial condition, earnings, growth prospects, funding requirements, applicable law, and any other factors the Acuity Brands' board deems relevant.

Results of Operations

Fiscal 2009 Compared with Fiscal 2008

The following table sets forth information comparing the components of net income for the year ended August 31, 2009 with the year ended August 31, 2008:

($ in millions, except per-share data)	Years Ended August 31, 2009	2008	Increase (Decrease)	Percent Change
Net Sales	$1,657.4	$2,026.6	$ (369.2)	(18.2)%
Cost of Products Sold	1,022.3	1,210.8	(188.5)	(15.6)%
Gross Profit	635.1	815.8	(180.7)	(22.2)%
Percent of net sales	*38.3%*	*40.3%*	*(200)bp*	
Selling, Distribution, and Administrative Expenses	454.6	540.1	(85.5)	(15.8)%
Special Charge	26.7	14.6	12.1	82.9%
Operating Profit	153.8	261.1	(107.3)	(41.1)%
Percent of net sales	*9.3%*	*12.9%*	*(360)bp*	
Other Expense (Income)				
Interest Expense, net	28.5	28.4	0.1	0.4%
Miscellaneous Expense (Income)	(2.1)	2.1	(4.2)	(200.0)%
Total Other Expense (Income)	26.4	30.5	(4.1)	(13.4)%
Income from Continuing Operations before Provision for Income Taxes	127.4	230.6	(103.2)	(44.8)%
Percent of net sales	*7.7%*	*11.4%*	*(370)bp*	
Provision for Taxes	42.1	81.9	(39.8)	(48.6)%
Effective tax rate	*33.1%*	*35.5%*		
Income from Continuing Operations	85.3	148.6	(63.3)	(42.6)%
Loss from Discontinued Operations, net of tax	(0.3)	(0.4)	0.1	25.0%
Net Income	$ 85.0	$ 148.3	$ (63.3)	(42.7)%
Diluted Earnings per Share from Continuing Operations	$ 2.05	$ 3.57	$ (1.52)	(42.6)%
Diluted Loss per Share from Discontinued Operations	$ (0.01)	$ (0.01)	$ —	— %
Diluted Earnings per Share	$ 2.04	$ 3.56	$ (1.52)	(42.7)%

Results from Continuing Operations

Net sales were $1,657.4 million for fiscal 2009 compared with $2,026.6 million reported in the prior-year period, a decrease of $369.2 million, or 18.2%. For fiscal 2009, the Company reported income from continuing operations of $85.3 million compared with $148.6 million earned in fiscal 2008. Diluted earnings per share from continuing operations were $2.05 for fiscal 2009 as compared with $3.57 reported for fiscal 2008, a decrease of 42.6%. Results for fiscal 2009 and 2008 include pre-tax special charges of $26.7 million, or $0.41 per diluted share, and $14.6 million, or $0.21 per diluted share, respectively.

On December 31, 2008, Acuity Brands acquired for cash and stock substantially all the assets and assumed certain liabilities of Lighting Control & Design, Inc. (“LC&D”). Located in Glendale, California, LC&D is a manufacturer of comprehensive digital lighting controls and software. LC&D offers a wide range of products, including dimming and building interfaces as well as digital thermostats, all within a single, scalable system. LC&D had calendar year 2008 sales of approximately $18 million.

On April 20, 2009, the Company acquired Sensor Switch, Inc. (“Sensor Switch”), an industry-leading developer and manufacturer of lighting controls and energy management systems for an aggregate consideration of the $205 million comprised of (i) 2 million shares of common stock of the Company, (ii) a $30 million note of Acuity Brands Lighting, and (iii) approximately $130 million of cash. A cash payment of approximately $130 million was funded from available cash on hand and from borrowings under the Company’s Revolving Credit Facility. The $30 million unsecured promissory note is payable over three years. Sensor Switch, based in Wallingford, Connecticut, offers a wide-breadth of products and solutions that substantially reduce energy consumption including occupancy sensors, photocontrols, and distributed lighting control devices. Sensor Switch generated sales in excess of $37 million during its fiscal year ending October 31, 2008.

The operating results of Sensor Switch and LC&D have been included in the Company’s consolidated financial statements since their respective dates of acquisition.

Net Sales

Net sales decreased approximately 18% in 2009 compared with 2008 due primarily to lower shipments and unfavorable impact of foreign currency fluctuation, partially offset by revenues from recent acquisitions. The lower volume of product shipments was due primarily to continued decline in demand on the residential and non-residential construction markets, particularly for commercial and office buildings. The Company estimates shipment volumes declined by approximately 19% in fiscal 2009 compared with 2008, partially offset by an estimated 1% improvement in price and product mix. Additionally, unfavorable foreign currency rate fluctuations negatively impacted net sales in fiscal 2009 by slightly less than 2% compared with the prior year, which was largely offset by $26 million of net sales from acquisitions.

Gross Profit

Gross profit margin decreased by 200 basis points to 38.3% of net sales for fiscal 2009 from 40.3% reported for the prior-year period. Gross profit for fiscal 2009 decreased $180.7 million, or 22.2%, to $635.1 million compared with $815.8 million for the prior-year period. The decline in gross profit and gross profit margin was largely attributable to the decline in net sales noted above, increased cost for raw material and components, and unfavorable foreign currency fluctuations. The Company estimates raw material and component costs increased cost of goods sold by approximately $40 million compared with the year-ago period, with only a small portion of the increase recovered in higher prices. Savings from ongoing streamlining efforts, benefits from productivity improvements, and contributions from acquisitions helped to partially offset the negative impact of the aforementioned items on gross profit and gross profit margin.

Operating Profit

Selling, Distribution, and Administrative ("SD&A") *expenses* for fiscal 2009 were $454.6 million compared with $540.1 million in the prior-year period, which represented a decrease of $85.5 million, or 15.8%. Approximately half of the decrease in SD&A expenses was due to lower commissions paid to the Company's sales forces and agents and lower freight costs, which both typically vary directly with sales. Additionally, reduced incentive compensation and benefits from streamlining efforts contributed to lower fiscal 2009 SD&A expense. Partially offsetting these reductions was the additional SD&A expense related to the businesses acquired in fiscal 2009.

In fiscal 2009, gross profit less SD&A expenses was $180.5 million compared with $275.7 million in the prior-year period, which represents a decrease of $95.2 million, or 17.6%. The decrease was due to lower volume, increased raw material and component costs, and unfavorable foreign currency fluctuations, partially offset by savings from streamlining efforts, benefits from productivity improvements, and contributions from acquisitions. The Company believes this measure provides greater comparability and enhanced visibility into the improvements realized.

As part of the Company's initiative to streamline and simplify operations, the Company recorded in fiscal 2009 and 2008 pre-tax charges of $26.7 million and $14.6 million, respectively, to reflect severance and related employee benefit costs associated with the elimination of certain positions worldwide and the costs associated with the early termination of certain leases. The fiscal 2009 charge included a non-cash expense of $1.6 million for the impairment of assets associated with the closing of a facility. The Company estimates that it realized $39 million ($28 million and $11 million from actions initiated in fiscal 2009 and 2008, respectively) in savings during fiscal 2009 compared with the prior year related to these actions.

Operating profit for fiscal 2009 was $153.8 million compared with $261.1 million reported for the prior-year period, a decrease of $107.3 million, or 41.1%. Operating profit margin decreased 360 basis points to 9.3% compared with 12.9% in the year-ago period. The decrease in operating profit in fiscal 2009 compared with the prior-year period was due primarily to the decrease in gross profit noted above and the $12.1 million incremental special charge related to streamlining efforts, partially offset by decreased SD&A expense as noted above.

Income from Continuing Operations before Provision for Taxes

Other expense consists primarily of interest expense, net, and miscellaneous income (or expense) resulting from changes in exchange rates on foreign currency items as well as other non-operating items. Interest expense, net, was $28.5 million and $28.4 million for fiscal 2009 and 2008, respectively. Fiscal 2009 interest expense, net reflects lower interest expense resulting from the maturity of the $160 million public notes that was more than offset by reduced interest income resulting from both lower cash balances and lower short-term interest rates. For fiscal 2009, the Company reported $2.1 million of other miscellaneous income compared with $2.1 million of other miscellaneous expense in the year-ago period. The $4.2 million favorable year-over-over change was due primarily to the impact of changes in exchange rates on foreign currency items.

Provision for Income Taxes and Income from Continuing Operations

The effective income tax rate reported by the Company was 33.1% and 35.5% for fiscal 2009 and 2008, respectively. The decrease in the annual tax rate was due primarily to the greater impact of tax credits and deductions on the lower earnings amount and the adverse effect on prior year's effective tax rate related to the repatriation of foreign cash. Income from continuing operations for fiscal 2009 decreased $63.3 million to $85.3 million (including $16.8 million after-tax for the special charge) from $148.6 million (including $9.1 million after-tax for the special charge) reported for the prior-year period. The decrease in income from continuing operations was due primarily to the above noted decrease in operating profit, partially offset by lower tax expense.

[Table of Contents](#)

[Index to Financial Statements](#)

Results from Discontinued Operations and Net Income

The loss from discontinued operations for fiscal 2009 was $0.3 million, a decrease of $0.1 million from the prior-year loss of $0.4 million. The loss in both periods relate to tax adjustments associated with pre-spin activities.

Net income for fiscal 2009 decreased $63.3 million to $85.0 million from $148.3 million reported for the prior-year period. The decrease in net income resulted primarily from the above noted decline in net sales.

Fiscal 2008 Compared with Fiscal 2007

The following table sets forth information comparing the components of net income for the year ended August 31, 2008 with the year ended August 31, 2007:

($ in millions, except per-share data)	Years Ended August 31, 2008	Years Ended August 31, 2007	Increase (Decrease)	Percent Change
Net Sales	$2,026.6	$1,964.8	$ 61.8	3.1%
Cost of Products Sold	1,210.8	1,220.5	(9.7)	(0.8)%
Gross Profit	815.8	744.3	71.5	9.6%
Percent of net sales	*40.3%*	*37.9%*	*240bp*	
Selling, Distribution, and Administrative Expenses	540.1	521.9	18.2	3.5%
Special Charge	14.6	—	14.6	100.0%
Operating Profit	261.1	222.4	38.7	17.4%
Percent of net sales	*12.9%*	*11.3%*	*160bp*	
Other Expense (Income)				
Interest Expense, net	28.4	29.9	(1.5)	(5.0)%
Miscellaneous Expense (Income)	2.1	(1.6)	3.7	231.3%
Total Other Expense (Income)	30.5	28.3	2.2	7.8%
Income from Continuing Operations before Provision for Taxes	230.6	194.2	36.4	18.7%
Percent of net sales	*11.4%*	*9.9%*	*150bp*	
Provision for Taxes	81.9	65.5	16.4	25.0%
Effective tax rate	*35.5%*	*33.7%*		
Income from Continuing Operations	148.6	128.7	19.9	15.5%
Income (Loss) from Discontinued Operations, net of tax	(0.4)	19.4	(19.8)	(102.1)%
Net Income	$ 148.3	$ 148.1	$ 0.2	0.1%
Diluted Earnings per Share from Continuing Operations	$ 3.57	$ 2.93	$ 0.64	21.8%
Diluted Earnings (Loss) per Share from Discontinued Operations	$ (0.01)	$ 0.44	$ (0.45)	(102.3)%
Diluted Earnings per Share	$ 3.56	$ 3.37	$ 0.19	5.6%

Results from Continuing Operations

Net sales were $2,026.6 million for fiscal 2008 compared with $1,964.8 million reported in the prior-year period, an increase of $61.8 million, or 3.1%. For fiscal 2008, the Company reported income from continuing operations of $148.6 million (including a $9.1 million after-tax special charge for estimated costs the Company incurred to simplify and streamline its operations as a result of the Spin-off) compared with $128.7 million earned in fiscal 2007. Diluted earnings per share from continuing operations were $3.57 (including $0.21 loss related to the special charge) for fiscal 2008 as compared with $2.93 reported for fiscal 2007, an increase of 21.8%.

On July 17, 2007, Acuity Brands acquired substantially all of the assets and assumed certain liabilities of Mark Architectural Lighting. Located in Edison, New Jersey, Mark Architectural Lighting is a specification-oriented manufacturer of high-quality lighting products which generated fiscal 2006 sales of over $22 million. The acquisition provides the Company a stronger presence in the Northeast, particularly the New York City metropolitan area, and is a complement to the Center for Light+Space, the Company's sales and marketing office in New York City. The operating results of Mark Architectural Lighting have been included in the Company's consolidated financial statements since the date of acquisition.

Net Sales

The 3.1% increase in net sales was due primarily to an enhanced mix of products sold and improved pricing. The Company's sales and profitability continued to benefit from a disciplined approach to pricing and a richer mix of new and innovative products sold at higher per unit sales prices that offer customers greater benefits and features, such as more energy efficiency and an improved lighting experience. The Company estimated that greater shipments of products both for new construction and relighting of existing non-residential buildings, excluding large retailers, increased by approximately 2% in fiscal 2008 compared with 2007, partially offset by an approximately 3% decline in volume resulting from weakness in the residential market and reduced new store openings by certain large retailers. The Mark Architectural Lighting acquisition contributed approximately $18.0 million to fiscal 2008 net sales. Additionally, favorable foreign currency rate fluctuations added approximately $19.1 million to the increase in net sales in fiscal 2008.

Gross Profit

Gross profit margins increased 240 basis points to 40.3% of net sales for fiscal 2008 from 37.9% reported for the prior-year period. Gross profit increased $71.5 million, or 9.6%, to $815.8 million for fiscal 2008 compared with $744.3 million for the prior-year period. The improvement in gross profit and gross profit margin was largely attributable to improved pricing and a greater mix of higher-margin products sold. In addition, benefits from the contribution of Mark Architectural Lighting and programs to improve productivity and quality contributed to the increased profitability. These gains offset increases in costs for raw materials, components, and freight, as well as increases associated with employee wages and related benefits and freight costs.

Operating Profit

Selling, Distribution, and Administrative ("SD&A") *expenses* were $540.1 million for fiscal 2008 compared with $521.9 million in the prior-year period, which represented an increase of $18.2 million, or 3.5%. Approximately half of the increase in SD&A expenses was due to higher commissions paid to the Company's sales forces and agents, which typically vary directly with sales. Additionally, fiscal 2007 was favorably impacted by a $6.6 million pre-tax gain (net of related legal costs) resulting from a settlement for a commercial dispute involving reimbursement of warranty and product liability costs associated with a product line purchased from a third party in fiscal 2002. The balance of the increase in SD&A expenses was due primarily to an increase in the Company's investment in product marketing and development activities and the impact from fluctuations in foreign currency exchange rates partially offset by lower expenses for the Company's other general and administrative costs due to cost containment programs. Merit based and inflationary wage increases were fully offset by benefits from the actions taken during fiscal 2008 to streamline and simplify operations.

Gross profit less SD&A expenses was $275.7 million in fiscal 2008 compared with $222.4 million in the prior-year period, which represented an increase of $53.3 million, or 24.0%. The increase was due to gross profit improvements partially offset by increased SD&A expenses as noted above. The Company believes this measure provides greater comparability and enhanced visibility into the improvements realized.

As part of the Company's initiative to streamline and simplify operations, largely in connection with actions related to the Spin-off, the Company recorded in fiscal 2008 a pre-tax charge of $14.6 million to reflect severance and related employee benefit costs associated with the elimination of certain positions worldwide and the costs associated with the early termination of certain leases. The Company estimates that it realized $11 million in savings during fiscal 2008 related to these actions.

Operating profit for fiscal 2008 was $261.1 million compared with $222.4 million reported for the prior-year period, an increase of $38.7 million, or 17.4%. Operating profit margin increased 160 basis points to 12.9% compared with 11.3% in the year-ago period. The improvement in operating profit in fiscal 2008 compared with the prior-year period was due primarily to the increased gross profit noted above, partially offset by the $14.6 million special charge and the $6.6 million favorable commercial dispute settlement in the prior-year period.

Income from Continuing Operations before Provision for Taxes

Other expense consists primarily of interest expense, net, and miscellaneous expense (or income) resulting from changes in exchange rates on foreign currency items as well as other non-operating items. Interest expense, net, was $28.4 million and $29.9 million for fiscal 2008 and 2007, respectively. Interest expense, net, decreased 5.0% in fiscal 2008 compared with fiscal 2007 due primarily to greater interest income earned on higher invested cash balances, partially offset by lower short-term interest rates. The fluctuation in miscellaneous expense (income) was due primarily to the impact of exchange rates on foreign currency items.

Provision for Income Taxes and Income from Continuing Operations

The effective income tax rate reported by the Company was 35.5% and 33.7% for fiscal 2008 and 2007, respectively. The current period tax rate was adversely affected by taxes related to the repatriation of foreign cash and increased income in jurisdictions with higher tax rates.

Income from continuing operations for fiscal 2008 increased $19.9 million to $148.6 million (including $9.1 million after-tax for the special charge) from $128.7 million reported for the prior-year period. The increase in income from continuing operations resulted primarily from the above noted increase in operating profit, partially offset by higher tax expense.

Results from Discontinued Operations and Net Income

The loss from discontinued operations for fiscal 2008 was $0.4 million, a decrease of $19.8 million from the prior-year period income of $19.4 million. The decrease was due primarily to the contribution of only two months of operating results in fiscal 2008 rather than a full year in fiscal 2007. In addition, discontinued operations were negatively impacted by approximately $5.5 million in costs related to the Spin-off during the first quarter of fiscal 2008. These non-tax deductible costs consist primarily of legal, accounting, financial, and other professional fees incurred in connection with the Spin-off.

Net income for fiscal 2008 increased $0.2 million to $148.3 million from $148.1 million reported for the prior-year period. The increase in net income resulted primarily from the above noted increase in income from continuing operations, partially offset by the results from discontinued operations.

Outlook

The performance of Acuity Brands, like most companies, is influenced by a multitude of factors such as the health of the economy, including employment, credit availability, and consumer confidence. During the Company's fiscal 2009, major economies and financial markets throughout the world experienced unprecedented volatility, creating uncertainty both for consumers and businesses. As a result, construction activity in the U.S., both non-residential and residential, declined significantly during fiscal 2009. The vitality of the Company's business is determined by underlying economic factors such as employment levels, credit availability, consumer demand, commodity costs, and government policy, particularly as it impacts capital formation and risk taking by businesses and commercial developers. As such, it is difficult at this time to precisely forecast the direction or intensity of future economic activity in general and more specifically with respect to overall construction demand. Key indicators continue to signal declines for North American non-residential construction activity. Accordingly, management's expectation is that in 2010 the percentage decline in the overall markets it serves will be in the mid-teens. The Company's backlog at the end of the fiscal 2009 was down 23 percent compared to the prior year.

While prices for components and commodities, particularly for steel and petroleum, declined from their record highs in the summer and fall of 2008, volatility in pricing for these products could once again occur and possibly place pressure on the Company's margins. Management believes that competitive forces in the current market environment will not allow the Company to pass along more than commodity cost increases or to significantly retain current pricing on commodity-sensitive products should those specific commodity costs sharply decline. Although management believes pricing is likely to become more competitive in certain channels and geographies, the negative impact is expected to be offset through productivity improvements and lower material, component, and freight costs.

During fiscal 2010, the Company expects to realize approximately $50 million of annualized benefits from the streamlining actions taken in fiscal 2009 of which approximately $28 million of benefits were realized during fiscal 2009. These actions related to the consolidation of certain manufacturing operations and a reduction in workforce. The Company initiated such actions in an effort to continue to redeploy and invest resources in other areas where the Company believes it can create greater value for all stakeholders and accelerate profitable growth opportunities, including a continued focus on industry-leading product innovation incorporating sustainable design, relighting, and customer connectivity.

In addition to the recent acquisitions which significantly increased the Company's presence in the fast-growing lighting controls market, management believes the execution of the Company's strategies to accelerate investments in innovative and energy-efficient products, enhance services to its customers, and expand market presence in key sectors such as home centers and the renovation and relight market will provide growth opportunities, which should enable the Company to outperform the overall markets it serves. Additionally, management believes these actions and investments will position the Company to meet or exceed its long-term financial goals.

The Company expects cash flow from operations to remain strong in 2010 and intends to invest approximately $35 million in capital expenditures during the year. Also, the Company estimates the annual tax rate to approximate 35% for 2010.

Although fiscal 2010 results are expected to be negatively impacted by current economic conditions, management remains very positive about the long-term potential of the Company and its ability to outperform the market. Management continues to position the Company to optimize short-term performance while investing in and deploying resources to further the Company's long-term profitable growth opportunities. Looking beyond the current environment, management believes the lighting and lighting-related industry will experience solid growth over the next decade, particularly as energy and environmental concerns come to the forefront, and that the Company is well-positioned to fully participate in this growing industry.

Accounting Standards Yet to Be Adopted

In December 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting ("SFAS") No. 141 (revised 2007), *Business Combinations* ("SFAS No. 141R"). SFAS No. 141R changes accounting for business combinations through a requirement to recognize 100% of the fair values of assets acquired, liabilities assumed, and noncontrolling interests in acquisitions of less than a 100% controlling interest when the acquisition constitutes a change in control of the acquired entity. Other requirements include capitalization of acquired in-process research and development assets, expensing, as incurred, acquisition-related transaction costs and capitalizing restructuring charges as part of the acquisition only if requirements of SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal Activities,* are met. SFAS No. 141R is effective for business combination transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008 and is therefore effective for the Company beginning in fiscal 2010. The implementation of this guidance will affect the Company's results of operations and financial position after its effective date only to the extent it completes applicable business combinations subsequent to the effective date, and therefore, the impact cannot be determined at this time.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interest in Consolidated Financial Statements, an amendment of ARB No. 51* ("SFAS No. 160"). SFAS No. 160 establishes the economic entity concept of consolidated financial statements, stating that holders of a residual economic interest in an entity have an equity interest in the entity, even if the residual interest is related to only a portion of the entity. Therefore, SFAS No. 160 requires a noncontrolling interest to be presented as a separate component of equity. SFAS No. 160 also states that once control is obtained, a change in control that does not result in a loss of control should be accounted for as an equity transaction. The statement requires that a change resulting in a loss of control and deconsolidation is a significant event triggering gain or loss recognition and the establishment of a new fair value basis in any remaining ownership interests. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008 and is therefore effective for the Company beginning in fiscal 2010. The Company does not expect the adoption of SFAS No. 160 to have a material impact on its results of operations and financial position.

In June 2008, FASB issued FASB Staff Position ("FSP") No. EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities* ("FSP EITF 03-6-1"). FSP EITF 03-6-1 was issued to clarify that unvested share-based payment awards with a right to receive nonforfeitable dividends are participating securities. FSP EITF 03-6-1 provides guidance on how to allocate earnings to participating securities and compute basic earnings per share ("EPS") using the two-class method. FSP EITF 03-6-1 is effective for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years, and is therefore effective for the Company beginning the first quarter of fiscal 2010. The implementation of this guidance will impact the Company's EPS calculation. For example, the Company's diluted EPS for the years ended August 31, 2009, 2008, and 2007, under this guidance would be $2.00, $3.51, and $2.89, respectively, as compared to $2.04, $3.57, and $2.93 reported for these periods.

In June 2009, the FASB issued SFAS No. 168, *The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No. 162* ("SFAS No. 168"), which confirms that as of July 1, 2009, the *FASB Accounting Standards Codification™* ("Codification") is the single official source of authoritative, nongovernmental U.S. generally accepted accounting principles ("U.S. GAAP"). All existing accounting standard documents are superseded, and all other accounting literature not included in the Codification is considered nonauthoritative. SFAS No. 168 is effective for interim and annual periods ending after September 15, 2009 and is therefore effective for the Company at the conclusion of the first quarter of 2010. While the Codification is not intended to change U.S. GAAP and, thus, not expected to have an effect on the Company's financial condition, results of operations, or cash flows upon adoption, the Company is reviewing disclosures due to changes in references to U.S. GAAP literature.

Accounting Standards Adopted in Fiscal 2009

In May 2009, the FASB issued SFAS No. 165, *Subsequent Events* ("SFAS No. 165"), which establishes: the period after the balance sheet date during which an entity should evaluate events or transactions for potential recognition or disclosure in the financial statements; the circumstances under which an entity should recognize such events or transactions in its financial statements; and disclosures regarding such events or transactions and the date through which an entity has evaluated subsequent events.

The provisions of SFAS No. 165 were effective for financial statements issued for interim and annual periods ending after June 15, 2009 and were adopted by the Company on August 31, 2009. The Company determined, however, that SFAS No. 165 did not have an effect on the Company's financial condition, results of operations, or cash flows upon adoption, as its guidance is substantially consistent with that previously applied by the Company.

In April 2009, the FASB issued FSP FAS No. 107-1 and Accounting Principles Board Opinion ("APB") No. 28-1, *Interim Disclosures about Fair Value of Financial* Instruments ("FSP FAS No. 107-1 and APB 28-1"), which requires that the fair value of financial instruments be disclosed in an entity's interim financial statements, as well as in annual financial statements. The provisions of FSP FAS No. 107-1 and APB 28-1 also require that fair value information be presented with the related carrying value and that the method and significant assumptions used to estimate fair value, as well as changes in method and significant assumptions, be disclosed.

The provisions of FSP FAS No. 107-1 and APB 28-1 were effective for interim periods ending after June 15, 2009 and were adopted by the Company on August 31, 2009. As the pronouncement only pertains to additional disclosures, the adoption had no effect on the Company's financial condition, results of operations, or cash flows.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("SFAS No. 159"). SFAS No. 159 permits companies, at their election, to measure specified financial instruments and warranty and insurance contracts at fair value on a contract-by-contract basis, with changes in fair value recognized in earnings each reporting period. The election, called the "fair value option," will enable some companies to reduce the volatility in reported earnings caused by measuring related assets and liabilities differently, and it is easier than using the complex hedge-accounting requirements in SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, to achieve similar results. Subsequent changes in fair value for designated items will be required to be reported in earnings in the current period. SFAS No. 159 was effective for financial statements issued for fiscal years beginning after November 15, 2007 and was therefore effective for the Company beginning in fiscal 2009. The Company adopted SFAS No. 159 on September 1, 2008 and elected not to apply the fair value option, and therefore, the adoption did not have an impact on the Company's results of operations or financial position.

In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, an amendment of FASB Statements No. 87, 88, 106, and 132(R) ("SFAS No. 158"). SFAS No. 158 requires an employer to: (a) recognize in its statement of financial position the funded status of a benefit plan; (b) measure defined benefit plan assets and obligations as of the end of the employer's fiscal year (with limited exceptions); and (c) recognize as a component of other comprehensive income, net of tax, the gains or losses and prior service costs or credits that arise but are not recognized as components of net periodic benefit costs pursuant to prior existing guidance. The provisions governing recognition of the funded status of a defined benefit plan and related disclosures became effective and were adopted by the Company at the end of fiscal 2007. The requirement to measure plan assets and benefit obligations as of the date of the employer's fiscal year-end statement of financial position is effective for fiscal years ending after December 15, 2008, and was therefore effective for the Company in fiscal 2009. The change in measurement date to August 31 resulted in a reduction to retained earnings of approximately $0.5 million, net of tax.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS No. 157"). SFAS No. 157 establishes a single authoritative definition of fair value, establishes a framework for measuring fair value, and expands disclosure requirements pertaining to fair value measurements. The provisions of SFAS No. 157 related to financial assets and liabilities as well as other assets and liabilities carried at fair value on a recurring basis were effective for the Company on September 1, 2008. Other than the additional disclosures required, the adoption of these provisions of SFAS No. 157 did not have an impact on the Company's consolidated financial statements. The provisions of SFAS No. 157 related to other nonfinancial assets and liabilities will be effective for the Company on September 1, 2009. The Company does not expect the adoption of these provisions to have a material impact on its results of operations and financial position.

Critical Accounting Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations addresses the financial condition and results of operations as reflected in the Company's C*onsolidated Financial Statements*, which have been prepared in accordance with U.S. GAAP. As discussed in Note 1 of the *Notes to Consolidated Financial Statements*, the preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expense during the reporting period. On an ongoing basis, management evaluates its estimates and judgments, including those related to inventory valuation; depreciation, amortization and the recoverability of long-lived assets, including goodwill and intangible assets; share-based compensation expense; medical, product warranty, and other reserves; litigation; and environmental matters. Management bases its estimates and judgments on its substantial historical experience and other relevant factors, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ from those estimates. Management discusses the development of accounting estimates with the Company's Audit Committee. See Note 3: Summary of Significant Accounting Policies of the *Notes to Consolidated Financial Statements* for a summary of the accounting policies of Acuity Brands.

The management of Acuity Brands believes the following represent the Company's critical accounting estimates:

Inventories

Inventories include materials, direct labor, and related manufacturing overhead, and are stated at the lower of cost (on a first-in, first-out or average-cost basis) or market. Management reviews inventory quantities on hand and records a provision for excess or obsolete inventory primarily based on estimated future demand and current market conditions. A significant change in customer demand or market conditions could render certain inventory obsolete and thus could have a material adverse impact on the Company's operating results in the period the change occurs.

Goodwill and Indefinite Lived Intangible Assets

The Company reviews goodwill and indefinite lived intangible assets for impairment on an annual basis in the fiscal fourth quarter or on an interim basis if an event occurs or circumstances change that would more likely than not indicate that the fair value of the long-lived asset is below its carrying value. All other long-lived and intangible assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the asset may not be recoverable. An impairment loss for goodwill and indefinite lived intangibles would be recognized based on the difference between the carrying value of the asset and its estimated fair value, which would be determined based on either discounted future cash flows or other appropriate fair value methods. The evaluation of goodwill and indefinite lived intangibles for impairment requires management to use significant judgments and estimates in accordance with U.S. GAAP including, but not limited to, projected future net sales, operating results, and cash flow.

Although management currently believes that the estimates used in the evaluation of goodwill and indefinite lived intangibles are reasonable, differences between actual and expected net sales, operating results, and cash flow and/or changes in the discount rate or theoretical royalty rate could cause these assets to be deemed impaired. If this were to occur, the Company would be required to charge to earnings the write-down in value of such assets, which could have a material adverse effect on the Company's results of operations and financial position, but not its cash flows from operations.

Goodwill

The Company is comprised of one reporting unit with a goodwill balance of $510.6 million. In determining the fair value of the Company's reporting unit, the Company uses a discounted cash flow analysis, which requires significant assumptions about discount rates as well as short and long-term growth (or decline) rates, in accordance with U.S. GAAP. The Company utilized an estimated discount rate of 10% as of June 1, 2009, based on the Capital Asset Pricing Model, which considers the updated risk-free interest rate, beta, market risk premium, and entity specific size premium. Short-term growth (or decline) rates are based on management's forecasted financial results which consider key business drivers such as specific revenue growth initiatives, market share changes, growth (or decline) in non-residential and residential construction markets, and general economic factors such as credit availability and interest rates. The Company calculates the discounted cash flows using a 10-year period with a terminal value and compares this calculation to the discounted cash flows generated over a 40-year period to ensure reasonableness. The long-term growth rate used in determining terminal value is estimated at 3% for the Company and is primarily based on the Company's understanding of projections for expected long-term growth in non-residential construction, the Company's key market.

During fiscal 2009, the Company performed an evaluation of the fair value of goodwill. The analysis included downward adjustments to the Company's revenue forecasts and related short-term growth rates compared to the prior year evaluation. The goodwill analysis did not result in an impairment charge as the estimated fair value of the reporting unit continues to exceed the carrying value by such a significant amount that any reasonably likely change in the assumptions used in the analysis, including revenue growth rates and the discount rate, would not cause the carrying value to exceed the estimated fair value for the reporting unit as determined under the step one goodwill impairment analysis.

Indefinite Lived Intangible Assets

The Company's indefinite lived intangible assets consist of five unamortized trade names with an aggregate carrying value of approximately $96.0 million. Management utilizes significant assumptions to estimate the fair value of these unamortized trade names using a fair value model based on discounted future cash flows in accordance with U.S. GAAP. Future cash flows associated with each of the Company's unamortized trade names are calculated by applying a theoretical royalty rate a willing third party would pay for use of the particular trade name to estimated future net sales. The present value of the resulting after-tax cash flow is management's current estimate of the fair value of the trade names. This fair value model requires management to make several significant assumptions, including estimated future net sales, the royalty rate, and the discount rate.

Future net sales and short-term growth (or decline) rates are estimated for each particular trade name based on management's forecasted financial results which consider key business drivers such as specific revenue growth initiatives, market share changes, expected growth (or decline) in non-residential and residential construction markets, and general economic factors such as credit availability and interest rates. The long-term growth rate used in determining terminal value is estimated at 3% for the Company and is primarily based on the Company's understanding of projections for expected long-term growth in non-residential construction, the Company's key market. The theoretical royalty rate is estimated using a factor of operating profit margins and management's assumptions regarding the amount a willing third party would pay to use the particular trade name. Differences between expected and actual results can result in significantly different valuations. If future operating results are unfavorable compared with forecasted amounts, the Company may be required to reduce the theoretical royalty rate used in the fair value model. A reduction in the theoretical royalty rate would result in lower expected future after-tax cash flow in the valuation model. As with goodwill noted above, the Company utilized an estimated discount rate of 10% as of June 1, 2009, based on the Capital Asset Pricing Model, which considers the updated risk-free interest rate, beta, market risk premium, and entity specific size premium. All of these assumptions are subject to change based on unforeseen factors by management due to the inherent uncertainty of the global economic and political environment at large.

During fiscal 2009, the Company performed an evaluation of the fair value of its five unamortized trade names. The Company's adjusted expected revenues are based on recent lighting market growth or decline estimates for fiscal 2010 through 2014. The Company also included revenue growth estimates based on current initiatives expected to help the Company improve performance. During fiscal 2009, estimated theoretical royalty rates ranged between 1% and 4%. The indefinite lived intangible asset analysis did not result in an impairment charge as the fair values exceeded the carrying values by a significant amount except for the Mark Lighting trade name which has a fair value that exceeds its $8.6 million carrying value by approximately 28%. The estimated fair values of the indefinite lived intangible assets, other than the Mark Lighting trade name, exceed the carrying values by such a significant amount that any reasonably likely change in the assumptions used in the analyses, including revenue growth rates and the discount rate, would not cause the carrying values to exceed the estimated fair values as determined by the fair value analyses. The Company determined that any estimated potential impairment related to the Mark Lighting trade name based on reasonably likely changes in the assumptions would not be material to the Company's financial results, trend of earnings, or financial position.

Self-Insurance

The Company self-insures, up to certain limits, traditional risks including workers' compensation, comprehensive general liability, and auto liability. The Company's self-insured retention for each claim involving workers' compensation, comprehensive general liability (including product liability claims), and auto liability is limited to $0.5 million per occurrence of such claims. A provision for claims under this self-insured program, based on the Company's estimate of the aggregate liability for claims incurred, is revised and recorded annually. The estimate is derived from both internal and external sources including but not limited to the Company's independent actuary. Acuity Brands is also self-insured up to certain limits for certain other insurable risks, primarily physical loss to property ($0.5 million per occurrence) and business interruptions resulting from such loss lasting three days or more in duration. Insurance coverage is maintained for catastrophic property and casualty exposures as well as those risks required to be insured by law or contract. Acuity Brands is fully self-insured for certain other types of liabilities, including environmental, product recall, and patent infringement. The actuarial estimates calculated are subject to uncertainty from various sources, including, among others, changes in claim reporting patterns, claim settlement patterns, judicial decisions, legislation, and economic conditions. Although Acuity Brands believes that the actuarial estimates are reasonable, significant differences related to the items noted above could materially affect the Company's self-insurance obligations, future expense and cash flow.

The Company is also self-insured for the majority of its medical benefit plans with individual claims limited to $300,000. The Company estimates its aggregate liability for claims incurred by applying a lag factor to the Company's historical claims and administrative cost experience. The appropriateness of the Company's lag factor is evaluated and revised, if necessary, annually. Although management believes that the current estimates are reasonable, significant differences related to claim reporting patterns, plan designs, legislation, and general economic conditions could materially affect the Company's medical benefit plan liabilities, future expense and cash flow.

Share-Based Compensation Expense

On September 1, 2005, Acuity Brands adopted SFAS No. 123(R), *Share Based Payment* ("SFAS No. 123(R)"), which requires compensation cost relating to share-based payment transactions be recognized in the financial statements based on the estimated fair value of the equity or liability instrument issued. Acuity Brands adopted SFAS No. 123(R) using the modified prospective method and applied it to the accounting for Acuity Brands' stock options and restricted shares, and share units representing certain deferrals into the Director Deferred Compensation Plan or the Supplemental Deferred Savings Plan (both of which are discussed further in Note 7: Share Based Payments of *Notes to Consolidated Financial Statements*). Under the modified prospective method, share-based expense recognized after adoption includes: (a) share-based expense for all awards granted prior to, but not yet vested as of September 1, 2005, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123, *Accounting for Stock-Based Compensation*, and (b) share-based expense for all awards granted subsequent to September 1, 2005, based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123(R). Acuity Brands recorded $13.0 million, $12.0 million, and $11.1 million of share-based expense in continuing operations for the years ended August 31, 2009, 2008, and 2007, respectively. Amounts recorded for share-based expense in discontinued operations were $2.2 million for the year ended August 31, 2007.

SFAS No. 123(R) does not specify a preference for a type of valuation model to be used when measuring fair value of share-based payments, and Acuity Brands continues to employ the Black-Scholes model in deriving the fair value estimates of such awards. SFAS No. 123(R) requires forfeitures of share-based awards to be estimated at time of grant and revised in subsequent periods if actual forfeitures differ from initial estimates. Therefore, expense related to share-based payments recognized in fiscal 2009, 2008 and 2007 has been reduced for estimated forfeitures. Acuity Brands' assumptions used in the Black-Scholes model remain otherwise unaffected by the implementation of this pronouncement. As of August 31, 2009, there was $26.1 million of total unrecognized compensation cost related to unvested restricted stock. That cost is expected to be recognized over a weighted-average period of 2.6 years. As of August 31, 2009, there was $2.9 million of total unrecognized compensation cost related to unvested options. That cost is expected to be recognized over a weighted-average period of 1.7 years. Forfeitures are estimated based on historical experience. If factors change causing different assumptions to be made in future periods, compensation expense recorded pursuant to SFAS No. 123(R) may differ significantly from that recorded in the current period. See Notes 3 and 7 of *Notes to Consolidated Financial Statements* for more information regarding the assumptions used in estimating the fair value of stock options.

Product Warranty and Recall Costs

The Company records an allowance for the estimated amount of future warranty costs when the related revenue is recognized, primarily based on historical experience of identified warranty claims. Excluding costs related to recalls due to faulty components provided by third parties, historical warranty costs have been within expectations. However, there can be no assurance that future warranty costs will not exceed historical amounts. If actual future warranty costs exceed historical amounts, additional allowances may be required, which could have a material adverse impact on the Company's operating results and cash flow in future periods.

Litigation

Acuity Brands recognizes expense for legal claims when payments associated with the claims become probable and can be reasonably estimated. Due to the difficulty in estimating costs of resolving legal claims, actual costs may be substantially higher or lower than the amounts reserved.

Environmental Matters

The Company recognizes expense for known environmental claims when payments associated with the claims become probable and the costs can be reasonably estimated. The actual cost of resolving environmental issues may be higher or lower than that reserved primarily due to difficulty in estimating such costs and potential changes in the status of government regulations. The Company is self-insured for most environmental matters.

Cautionary Statement Regarding Forward-Looking Information

This filing contains forward-looking statements, within the meaning of the federal securities laws. Statements made herein that may be considered forward-looking include statements incorporating terms such as "expects", "believes", "intends", "anticipates" and similar terms that relate to future events, performance, or results of the Company. In addition, the Company, or the executive officers on the Company's behalf, may from time to time make forward-looking statements in reports and other documents the Company files with the SEC or in connection with oral statements made to the press, potential investors or others. Forward-looking statements include, without limitation: (a) the Company's projections regarding financial performance, liquidity, capital structure, capital expenditures, and dividends; (b) expectations about the impact of volatility and uncertainty in general economic conditions; (c) external forecasts projecting unit volume decline; (d) expectations about the impact of volatility and uncertainty in component and commodity costs and the Company's ability to manage those costs as well as the Company's response with pricing of its products; (e) the Company's ability to execute and realize benefits from initiatives related to streamlining its operations, capitalizing on growth opportunities, expanding in key markets, enhancing service to the customer, and investing in product innovation; and (f) the Company's ability to achieve its long-term financial goals and measures. You are cautioned not to place undue reliance on any forward looking statements, which speak only as of the date of this annual report. Except as required by law, the Company undertakes no obligation to publicly update or release any revisions to these forward-looking statements to reflect any events or circumstances after the date of this annual report or to reflect the occurrence of unanticipated events. The Company's forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the historical experience of the Company and management's present expectations or projections. These risks and uncertainties include, but are not limited to, customer and supplier relationships and prices; competition; ability to realize anticipated benefits from initiatives taken and timing of benefits; market demand; litigation and other contingent liabilities; and economic, political, governmental, and technological factors affecting the Company. In addition, additional risks that could cause the Company's actual results to differ materially from those expressed in the Company's forward-looking statements are discussed in Part I, "Item 1a. Risk Factors" of this Annual Report on Form 10-K, and are specifically incorporated herein by reference.

Item 7a. *Quantitative and Qualitative Disclosures about Market Risk*

General. The Company is exposed to worldwide market risks that may impact the *Consolidated Balance Sheets*, *Consolidated Statements of Income*, and *Consolidated Statements of Cash Flows* due primarily to changing interest and foreign exchange rates as well as volatility in commodity prices. The following discussion provides additional information regarding the market risks of Acuity Brands.

Interest Rates. Interest rate fluctuations expose the variable-rate debt of the Company to changes in interest expense and cash flows. At August 31, 2009, the variable-rate debt of the Company was solely comprised of the $4.0 million long-term industrial revenue bonds. A 10% increase in market interest rates at August 31, 2009, would have resulted in a de minimus amount of additional annual after-tax interest expense. A fluctuation in interest rates would not affect interest expense or cash flows related to the Company's fixed-rate debt which includes the $200 million publicly-traded fixed-rate notes and the

August 31, 2009 outstanding balance of $27.6 million on the three-year unsecured promissory note. A 10% increase in market interest rates at August 31, 2009, would have decreased the estimated fair value of these debt obligations by approximately $0.9 million. See Note 5 of the *Notes to Consolidated Financial Statements*, contained in this Form 10-K, for additional information regarding the Company's debt.

Foreign Exchange Rates. The majority of net sales, expense, and capital purchases of the Company are transacted in U.S. dollars. However, exposure with respect to foreign exchange rate fluctuation exists due to the Company's operations in Canada, where a portion of products sold are sourced from the United States. A hypothetical decline in the Canadian dollar of 10% would negatively impact operating profit by approximately $6.0 million. Also, a portion of the goods sold in the United States are manufactured in Mexico. A hypothetical 10% increase in the Mexican peso would negatively impact operating profits by approximately $5.4 million. The impact of these hypothetical currency fluctuations has been calculated in isolation from any response the Company would undertake to address such exchange rate changes in the Company's foreign markets.

Commodity Prices. The Company utilizes a variety of raw materials and components in its production process including petroleum-based products, steel, and aluminum. In fiscal 2009, the Company purchased approximately 114,000 tons of steel and aluminum. The Company estimates that less than 10% of the raw materials purchased are petroleum-based and that approximately 3.2 million gallons of diesel fuel was consumed in fiscal 2009. Failure to effectively manage future increases in the costs of these items could adversely affect the ability to maintain or increase operating margins.

[Table of Contents](#)

[Index to Financial Statements](#)

Item 8. ***Financial Statements and Supplementary Data***

Index to Consolidated Financial Statements

MANAGEMENT'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

ACUITY BRANDS, INC.

The management of Acuity Brands, Inc. is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

The Company's management assessed the effectiveness of the Company's internal control over financial reporting as of August 31, 2009. In making this assessment, the Company's management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework. Based on this assessment, management believes that, as of August 31, 2009, the Company's internal control over financial reporting is effective.

The Company's independent registered public accounting firm has issued an audit report on their audit of the Company's internal control over financial reporting. This report dated October 29, 2009 appears on page 42 of this Form 10-K.

/s/ VERNON J. NAGEL	/s/ RICHARD K. REECE
Vernon J. Nagel **Chairman, President, and** **Chief Executive Officer**	**Richard K. Reece** **Executive Vice President and** **Chief Financial Officer**

Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholders
Acuity Brands, Inc.

We have audited the accompanying consolidated balance sheets of Acuity Brands, Inc. as of August 31, 2009 and 2008, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the three years in the period ended August 31, 2009. Our audits also included the financial statement schedule listed in the Index at Item 15(a). These consolidated financial statements and schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and schedule based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Acuity Brands, Inc. at August 31, 2009 and 2008, and the consolidated results of its operations and its cash flows for each of the three years in the period ended August 31, 2009, in conformity with U.S. generally accepted accounting principles. Also, in our opinion, the related financial statement schedule, when considered in relation to the basic financial statements taken as a whole, presents fairly in all material respects the information set forth therein.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Acuity Brands, Inc.'s internal control over financial reporting as of August 31, 2009, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated October 29, 2009 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
October 29, 2009

Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting

The Board of Directors and Stockholders
Acuity Brands, Inc.

We have audited Acuity Brands, Inc.'s internal control over financial reporting as of August 31, 2009, based on criteria established in Internal Control — Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (the COSO criteria). Acuity Brands, Inc.'s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Acuity Brands, Inc. maintained, in all material respects, effective internal control over financial reporting as of August 31, 2009, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Acuity Brands, Inc. as of August 31, 2009 and 2008, and the related consolidated statements of income, stockholders' equity and comprehensive income, and cash flows for each of the three years in the period ended August 31, 2009 of Acuity Brands, Inc. and our report dated October 29, 2009 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP

Atlanta, Georgia
October 29, 2009

ACUITY BRANDS, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands, except share and per-share data)

	August 31	
	2009	**2008**
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 18,683	$ 297,096
Accounts receivable, less reserve for doubtful accounts of $1,888 at August 31, 2009 and $1,640 at August 31, 2008	227,371	268,971
Inventories	140,797	145,725
Deferred income taxes	16,710	18,251
Prepayments and other current assets	19,339	26,104
Total Current Assets	422,900	756,147
Property, Plant, and Equipment, at cost:		
Land	7,273	9,501
Buildings and leasehold improvements	111,810	126,450
Machinery and equipment	334,725	334,641
Total Property, Plant, and Equipment	453,808	470,592
Less — Accumulated depreciation and amortization	307,979	309,086
Property, Plant, and Equipment, net	145,829	161,506
Other Assets:		
Goodwill	510,563	342,306
Intangible assets	184,826	129,319
Deferred income taxes	2,626	2,226
Defined benefit plan intangible assets	—	1,078
Other long-term assets	23,859	16,109
Total Other Assets	721,874	491,038
Total Assets	$ 1,290,603	$ 1,408,691
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Current maturities of long-term debt	$ 209,535	$ 159,983
Accounts payable	162,299	205,776
Accrued compensation	35,309	67,463
Accrued pension liabilities, current	1,235	1,252
Other accrued liabilities	67,711	84,768
Total Current Liabilities	476,089	519,242
Long-Term Debt	22,047	203,953
Accrued Pension Liabilities, less current portion	51,125	26,686
Deferred Income Taxes	12,962	23,983
Self-Insurance Reserves, less current portion	8,792	8,853
Other Long-Term Liabilities	47,448	50,428
Commitments and Contingencies (see Note 8)		
Stockholders' Equity:		
Preferred stock, $0.01 par value; 50,000,000 shares authorized; none issued	—	—
Common stock, $0.01 par value; 500,000,000 shares authorized; 49,851,316 issued and 42,433,143 outstanding at August 31, 2009; and 49,689,408 issued and 40,201,708 outstanding at August 31, 2008	499	497
Paid-in capital	647,211	626,435
Retained earnings	404,169	366,904
Accumulated other comprehensive loss	(57,423)	(22,819)
Treasury stock, at cost, 7,418,173 shares at August 31, 2009 and 9,487,700 shares at August 31, 2008	(322,316)	(395,471)
Total Stockholders' Equity	672,140	575,546
Total Liabilities and Stockholders' Equity	$ 1,290,603	$ 1,408,691

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

[Table of Contents]

[Index to Financial Statements]

ACUITY BRANDS, INC.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per-share data)

	Years Ended August 31, 2009	2008	2007
Net Sales	$ 1,657,404	$ 2,026,644	$ 1,964,781
Cost of Products Sold	1,022,308	1,210,849	1,220,466
Gross Profit	635,096	815,795	744,315
Selling, Distribution, and Administrative Expenses	454,606	540,097	521,892
Special Charge	26,737	14,638	—
Operating Profit	153,753	261,060	222,423
Other Expense (Income):			
Interest expense, net	28,542	28,415	29,851
Miscellaneous expense (income), net	(2,112)	2,095	(1,614)
Total Other Expense	26,430	30,510	28,237
Income from Continuing Operations before Provision for Income Taxes	127,323	230,550	194,186
Provision for Income Taxes	42,126	81,918	65,499
Income from Continuing Operations	85,197	148,632	128,687
Income (Loss) from Discontinued Operations	(288)	(377)	19,367
Net Income	$ 84,909	$ 148,255	$ 148,054
Earnings Per Share:			
Basic Earnings per Share from Continuing Operations	$ 2.09	$ 3.66	$ 3.02
Basic Earnings (Loss) per Share from Discontinued Operations	(0.01)	(0.01)	0.45
Basic Earnings per Share	$ 2.08	$ 3.65	$ 3.48
Basic Weighted Average Number of Shares Outstanding	40,781	40,655	42,585
Diluted Earnings per Share from Continuing Operations	$ 2.05	$ 3.57	$ 2.93
Diluted Earnings (Loss) per Share from Discontinued Operations	(0.01)	(0.01)	0.44
Diluted Earnings per Share	$ 2.04	$ 3.56	$ 3.37
Diluted Weighted Average Number of Shares Outstanding	41,557	41,609	43,897
Dividends Declared per Share	$ 0.52	$ 0.54	$ 0.60

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

[Table of Contents](#)

[Index to Financial Statements](#)

ACUITY BRANDS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)

	Years Ended August 31,		
	2009	2008	2007
Cash Provided by (Used for) Operating Activities:			
Net income	$ 84,909	$ 148,255	$148,054
Less: Income (Loss) from Discontinued Operations	(288)	(377)	19,367
Income from Continuing Operations	85,197	148,632	128,687
Adjustments to reconcile net income to net cash provided by (used for) operating activities:			
Depreciation and amortization	35,736	33,840	31,348
Excess tax benefits from share-based payments	(381)	(5,022)	(15,360)
Loss (gain) on the sale of property, plant, and equipment	43	177	(845)
Impairments of property, plant, and equipment	1,558	—	—
Deferred income taxes	(388)	2,573	2,534
Other non-cash items	10,226	5,355	8,958
Change in assets and liabilities, net of effect of acquisitions and divestitures:			
Accounts receivable	43,165	26,573	(2,352)
Inventories	10,284	811	17,678
Prepayments and other current assets	12,208	12,749	(5,120)
Accounts payable	(44,416)	(4,626)	707
Other current liabilities	(62,528)	(10,903)	45,621
Other	2,026	11,644	(3,151)
Net Cash Provided by Operating Activities	92,730	221,803	208,705
Cash Provided by (Used for) Investing Activities:			
Purchases of property, plant, and equipment	(21,248)	(27,166)	(31,457)
Proceeds from the sale of property, plant, and equipment	183	198	1,618
Acquisitions	(162,081)	(3,500)	(43,523)
Net Cash Used for Investing Activities	(183,146)	(30,468)	(73,362)
Cash Provided by (Used for) Financing Activities:			
Repayments of long-term debt	(162,395)	(8)	—
Employee stock purchase plan issuances	265	509	741
Stock options exercised	2,773	4,039	25,756
Repurchases of common stock	—	(155,650)	(44,963)
Excess tax benefits from share-based payments	381	5,022	15,360
Dividend received from Zep	—	58,379	—
Dividends paid	(21,634)	(22,466)	(26,359)
Net Cash Used for Financing Activities	(180,610)	(110,175)	(29,465)
Cash flows from Discontinued Operations:			
Net Cash (Used for) Provided by Operating Activities	(288)	4,250	31,442
Net Cash Used for Investing Activities	—	(410)	(5,121)
Net Cash Used for Financing Activities	—	(2,333)	(647)
Net Cash Provided by (Used for) Discontinued Operations	(288)	1,507	25,674
Effect of Exchange Rate Changes on Cash	(7,099)	755	1,602
Net Change in Cash and Cash Equivalents	(278,413)	83,422	133,154
Cash and Cash Equivalents at Beginning of Year	297,096	213,674	80,520
Cash and Cash Equivalents at End of Year	$ 18,683	$ 297,096	$213,674
Supplemental Cash Flow Information:			
Income taxes paid during the year	$ 40,529	$ 84,381	$ 51,356
Interest paid during the year	29,057	34,847	34,304

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

Table of Contents

Index to Financial Statements

ACUITY BRANDS, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME

(In thousands, except share and per-share data)

					Accumulated Other Comprehensive Income (Loss) Items			
	Compre-hensive Income	Common Stock	Paid-in Capital	Retained Earnings	Pension Liability	Currency Translation Adjustment	Treasury Stock	Total
Balance, August 31, 2006		$ 481	$560,973	$192,155	$(21,848)	$ 5,356	$(194,858)	$ 542,259
Comprehensive income:								
Net income	$148,054	—	—	148,054	—	—	—	148,054
Other comprehensive income (loss):								
Foreign currency translation adjustment (net of tax expense of $0)	4,550	—	—	—	—	4,550	—	4,550
Minimum pension liability adjustment (net of tax of $6,415)	11,404	—	—	—	11,404	—	—	11,404
Other comprehensive income	15,954							
Comprehensive income	$164,008							
Impact of adopting SFAS 158 (net of tax of $5,015)					(8,975)			(8,975)
Amortization, issuance, and forfeitures of restricted stock grants		(1)	8,884	—	—	—	—	8,883
Employee Stock Purchase Plan issuances		—	741	—	—	—	—	741
Cash dividends of $0.60 per share paid on common stock		—	—	(26,359)	—	—	—	(26,359)
Stock options exercised		13	25,743	—	—	—	—	25,756
Repurchases of common stock		—	—	—	—	—	(49,707)	(49,707)
Tax effect on stock options and restricted stock		—	15,360	—	—	—	—	15,360
Balance, August 31, 2007		$ 493	$611,701	$313,850	$(19,419)	$ 9,906	$(244,565)	$ 671,966
Comprehensive income:								
Net income	$148,255	—	—	148,255	—	—	—	148,255
Other comprehensive income (loss):								
Foreign currency translation adjustment (net of tax expense of $0)	5,012	—	—	—	—	5,012	—	5,012
Minimum pension liability adjustment (net of tax of $2,457)	(6,508)	—	—	—	(6,508)	—	—	(6,508)
Other comprehensive loss	(1,496)							
Comprehensive income	$146,759							
Impact of spin-off of specialty products		—	—	(71,553)	—	(11,810)	—	(83,363)
Impact of adopting FIN 48		—	—	(1,182)	—	—	—	(1,182)
Amortization, issuance, and forfeitures of restricted stock grants		2	5,166	—	—	—	—	5,168
Employee Stock Purchase Plan issuances		—	509	—	—	—	—	509
Cash dividends of $0.54 per share paid on common stock		—	—	(22,466)	—	—	—	(22,466)
Stock options exercised		2	4,037	—	—	—	—	4,039
Repurchases of common stock		—	—	—	—	—	(150,906)	(150,906)
Tax effect on stock options and restricted stock		—	5,022	—	—	—	—	5,022
Balance, August 31, 2008		$ 497	$626,435	$366,904	$(25,927)	$ 3,108	$(395,471)	$ 575,546

ACUITY BRANDS, INC.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY AND COMPREHENSIVE INCOME — (Continued)

(In thousands, except share and per-share data)

					Accumulated Other Comprehensive Income (Loss) Items			
	Compre-hensive Income	Common Stock	Paid-in Capital	Retained Earnings	Pension Liability	Currency Translation Adjustment	Treasury Stock	Total
Comprehensive income:								
Net income	$ 84,909	—	—	84,909	—	—	—	84,909
Other comprehensive income (loss):								
Foreign currency translation adjustment (net of tax expense of $0)	(18,474)	—	—	—	—	(18,474)	—	(18,474)
Pension liability adjustment (net of tax of $9,169)	(16,130)	—	—	—	(16,130)	—	—	(16,130)
Other comprehensive loss	(34,604)							
Comprehensive income	$ 50,305							
SFAS 158 adjustment (net of tax of $289)		—	—	(454)	—	—	—	(454)
Common Stock reissued from Treasury Shares for acquisition of businesses		—	7,175	(25,556)	—	—	73,155	54,774
Amortization, issuance, and forfeitures of restricted stock grants		1	10,182	—	—	—	—	10,183
Employee Stock Purchase Plan issuances		—	265	—	—	—	—	265
Cash dividends of $0.52 per share paid on common stock		—	—	(21,634)	—	—	—	(21,634)
Stock options exercised		1	2773	—	—	—	—	2,774
Repurchases of common stock		—	—	—	—	—	—	—
Tax effect on stock options and restricted stock		—	381	—	—	—	—	381
Balance, August 31, 2009		$ 499	$ 647,211	$ 404,169	$ (42,057)	$ (15,366)	$ (322,316)	$ 672,140

The accompanying *Notes to Consolidated Financial Statements* are an integral part of these statements.

ACUITY BRANDS, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Dollar amounts in thousands, except share and per-share data and as indicated)

Note 1: Description of Business and Basis of Presentation

Acuity Brands, Inc. ("Acuity Brands") is the parent company of Acuity Brands Lighting, Inc. formerly known as Acuity Lighting Group, Inc. and other subsidiaries (collectively referred to herein as "the Company"). The Company designs, produces, and distributes a broad array of indoor and outdoor lighting fixtures and related products, including lighting controls, and services for commercial and institutional, industrial, infrastructure, and residential applications for various markets throughout North America and select international markets. The Company has one operating segment.

Acuity Brands completed the spin-off of its specialty products business (the "Spin-off"), Zep Inc. ("Zep") on October 31, 2007, by distributing all of the shares of Zep common stock, par value $.01 per share, to the Company's stockholders of record as of October 17, 2007. The Company's stockholders received one Zep share, together with an associated preferred stock purchase right, for every two shares of the Company's common stock they owned. Stockholders received cash in lieu of fractional shares for amounts less than one full Zep share.

As a result of the Spin-off, the Company's financial statements have been prepared with the net assets, results of operations, and cash flows of the specialty products business presented as discontinued operations. All historical statements have been restated to conform to this presentation. Refer to Note 2 — *Discontinued Operations*.

The *Consolidated Financial Statements* have been prepared by the Company in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and present the financial position, results of operations, and cash flows of Acuity Brands and its wholly-owned subsidiaries.

Note 2: Discontinued Operations

As described in Note 1 — *Description of Business and Basis of Presentation*, the Company completed the Spin-off of the specialty products business on October 31, 2007.

A summary of the operating results for the discontinued operations is as follows:

	Years Ended August 31,		
	2009	2008	2007
Net Sales	$ —	$97,755	$565,887
Income before Provision for Income Taxes	$ —	$ 2,946	$ 33,701
Provision for Income Taxes	288	3,323	14,334
Net Income (Loss) from Discontinued Operations	$(288)	$ (377)	$ 19,367

The loss from discontinued operations for fiscal 2009 was $0.3 million, a decrease of $0.1 million from the prior-year loss and relates to tax adjustments associated with pre-spin activities.

In conjunction with the Spin-off, Acuity Brands and Zep entered into various agreements that address the allocation of assets and liabilities between them and that define their relationship after the separation, including a distribution agreement, a tax disaffiliation agreement, an employee benefits agreement, and a transition services agreement. Pursuant to the distribution agreement, Zep drew on its financing arrangements and paid a $62.5 million dividend to the Company, which was subject to adjustment based on the actual cash flow performance of Zep prior to the Spin-off. A dividend adjustment of approximately

$4 million plus interest was disbursed to Zep by the Company during the third quarter of fiscal 2008 resulting in a reduction of the dividend received from Zep. Information regarding guarantees and indemnities related to the Spin-off are included in Note 8 — *Commitments and Contingencies*.

Note 3: Summary of Significant Accounting Policies

Principles of Consolidation

The *Consolidated Financial Statements* include the accounts of Acuity Brands and its wholly-owned subsidiaries after elimination of significant intercompany transactions and accounts.

Revenue Recognition

The Company records revenue when the following criteria are met: persuasive evidence of an arrangement exists, delivery has occurred, the Company's price to the customer is fixed and determinable, and collectability is reasonably assured. Delivery is not considered to have occurred until the customer assumes the risks and rewards of ownership. Customers take delivery at the time of shipment for terms designated free on board shipping point. For sales designated free on board destination, customers take delivery when the product is delivered to the customer's delivery site. Provisions for certain rebates, sales incentives, product returns, and discounts to customers are recorded in the same period the related revenue is recorded. The Company also maintains one-time or on-going marketing and trade-promotion programs with certain customers that require the Company to estimate and accrue the expected costs of such programs. These arrangements include cooperative marketing programs, merchandising of the Company's products, and introductory marketing funds for new products and other trade-promotion activities conducted by the customer. Costs associated with these programs are reflected within the Company's *Consolidated Statements of Income* in accordance with Emerging Issues Task Force Issue No. 01-09: *Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)*, which in most instances requires such costs be recorded as a reduction of revenue.

The Company provides for limited product return rights to certain distributors and customers primarily for slow moving or damaged items subject to certain defined criteria. The Company monitors product returns and records, at the time revenue is recognized, a provision for the estimated amount of future returns based primarily on historical experience and specific notification of pending returns. Although historical product returns generally have been within expectations, there can be no assurance that future product returns will not exceed historical amounts. A significant increase in product returns could have a material impact on the Company's operating results in future periods.

For the Company's turn key labor renovation and relight services, revenue is earned on installation services and lighting fixtures. Revenue is recognized for the service and fixtures in the period that the installation of the fixtures is completed.

Use of Estimates

The preparation of financial statements and related disclosures in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expense during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash in excess of daily requirements is invested in time deposits and marketable securities and is included in the accompanying balance sheets at fair value. Acuity Brands considers time deposits and marketable securities with an original maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable

The Company records accounts receivable at net realizable value. This value includes an allowance for estimated uncollectible accounts to reflect losses anticipated on accounts receivable balances. The allowance is based on historical write-offs, an analysis of past due accounts based on the contractual terms of the receivables, and economic status of customers, if known. Management believes that the allowance is sufficient to cover uncollectible amounts; however, there can be no assurance that unanticipated future business conditions of customers will not have a negative impact on the Company's results of operations.

Concentrations of Credit Risk

Concentrations of credit risk with respect to receivables, which are typically unsecured, are generally limited due to the wide variety of customers and markets using Acuity Brands' products, as well as their dispersion across many different geographic areas. Receivables from The Home Depot were approximately $30.2 million and $35.2 million at August 31, 2009 and 2008, respectively. No other single customer accounted for more than 10% of consolidated receivables at August 31, 2009. Additionally, net sales to The Home Depot accounted for approximately 11% of net sales of the Company in both fiscal 2009 and 2008 and 13% in fiscal 2007.

Reclassifications

Certain prior-period amounts have been reclassified to conform to current year presentation.

Inventories

Inventories include materials, direct labor, and related manufacturing overhead, are stated at the lower of cost (on a first-in, first-out or average cost basis) or market, and consist of the following:

	August 31,	
	2009	2008
Raw materials, components, and supplies	$ 69,817	$ 66,919
Work in progress	11,913	12,508
Finished goods	70,305	76,470
	152,035	155,897
Less: Reserves	(11,238)	(10,172)
	$140,797	$145,725

Goodwill and Other Intangibles

Summarized information for the Company's acquired intangible assets is as follows:

	August 31, 2009		August 31, 2008	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets:				
Patents and trademarks	$ 29,075	$ (14,231)	$ 24,500	$ (12,641)
Distribution network and customer relationships	89,683	(19,252)	56,400	(16,066)
Other	4,625	(1,087)	4,026	(513)
Total	$ 123,383	$ (34,570)	$ 84,926	$ (29,220)
Unamortized trade names	$ 96,013		$ 73,613	

Through multiple acquisitions, the Company acquired intangible assets consisting primarily of trademarks associated with specific products with finite lives and distribution networks which are amortized over their estimated useful lives. Other acquired definite lived intangible assets consist primarily of patented technology, non-compete agreements, and customer relationships. Indefinite lived intangible assets consist of trade names that are expected to generate cash flows indefinitely. Significant estimates and assumptions were used to determine the fair value of these acquired intangible assets in accordance with U.S. GAAP. The current year increases in the gross carrying amounts for the acquired intangible assets were due to the Lighting Control and Design, Inc. ("LC&D") and Sensor Switch, Inc. and related subsidiaries ("Sensor Switch") (refer to Note 10 — *Acquisitions*). With regards to the LC&D acquisition, the weighted average useful life of the intangible assets with finite lives acquired by the Company was 12.8 years, which consisted of intangible assets related to distribution networks and customer relationships. In the acquisition of Sensor Switch, the Company acquired intangible assets with finite lives related to patented technology and distribution networks and customer relationships with weighted average useful lives of 12.0 and 19.9 years, respectively. The total weighted average useful life for these intangible assets acquired during the Sensor Switch acquisition was 18.9 years.

The Company recorded amortization expense of $5.4 million, $3.7 million and $3.2 million related to intangible assets with finite lives during fiscal 2009, 2008, and 2007, respectively. Amortization expense is expected to be approximately $6.4 million in both fiscal 2010 and 2011, $5.4 million in fiscal 2012, and $4.6 million in both fiscal 2013 and 2014. The decrease in expected amortization expense in fiscal 2012 is due to the completion of the amortization during fiscal 2011 of certain acquired patented technology assets. The decrease in fiscal 2013 is due to the completion of the amortization during fiscal 2012 of certain acquired customer relationships. Included in these amounts are the impact of incremental amortization expense for the December 31, 2008 acquisition of substantially all the assets and the assumption of certain liabilities of LC&D and the April 20, 2009 acquisition of Sensor Switch.

The changes in the carrying amount of goodwill during the year are summarized as follows:

Goodwill:	
Balance as of August 31, 2008	$342,306
Acquisitions	169,662
Currency translation adjustments	(1,405)
Balance as of August 31, 2009	$510,563

The Company tests indefinite lived intangible assets and goodwill for impairment on an annual basis or more frequently as facts and circumstances change, as required by Statement of Financial Accounting Standards ("SFAS") No. 142, *Goodwill and Other Intangible Assets*. The goodwill impairment test has two steps. The first step identifies potential impairments by comparing the fair value of a reporting unit with its carrying value, including goodwill. The fair values are determined based on a combination of valuation techniques including the expected present value of future cash flows, a market multiple approach, and a comparable transaction approach. If the fair value of a reporting unit exceeds the carrying value, goodwill is not impaired and the second step is not necessary. If the carrying value of a reporting unit exceeds the fair value, the second step calculates the possible impairment loss by comparing the implied fair value of goodwill with the carrying value. If the implied fair value of the goodwill is less than the carrying value, an impairment charge is recorded. The impairment test for unamortized trade names consists of comparing the fair value of the asset with its carrying value. The Company estimates the fair value of these unamortized trade names using a fair value model based on discounted future cash flows. If the carrying amount exceeds the measured fair value, an impairment loss would be recorded in the amount of the excess. In accordance with U.S. GAAP, significant assumptions were used in the determination of estimated fair value for both goodwill and indefinite lived intangible assets. Neither of the analyses resulted in an impairment charge during fiscal 2009, 2008, or 2007.

Other Long-Term Assets

Other long-term assets consist of the following:

	August 31, 2009	August 31, 2008
Long-term investments[1]	$ 3,134	$ 5,078
Assets held for sale	3,989	3,989
Investments in nonconsolidating affiliates[2]	8,911	—
Miscellaneous	7,825	7,042
	$ 23,859	$ 16,109

(1) Long-term investments — The Company maintains certain investments that generate returns that offset changes in certain liabilities related to deferred compensation arrangements. The investments primarily consist of marketable equity securities and fixed income securities, are stated at fair value, and are classified as trading in accordance with SFAS No. 115, *Accounting for Certain Investments in Debt and Equity Securities*. Realized and unrealized gains and losses are included in the *Consolidated Statements of Income* and generally offset the change in the deferred compensation liability. The decrease since August 31, 2008 was due primarily to payments made to certain participants in these deferred compensation arrangements and a decrease in the market value of the assets.

(2) Investments in nonconsolidating affiliates — The Company possesses an equity investment in an unconsolidated affiliate. This strategic investment represents less than a 20% ownership interest in the privately-held affiliate, and the Company does not maintain power over or control of the entity. The Company accounts for this investment using the cost method. Hence, the historical cost of the acquired shares represents the carrying value of the investment, and, due to several factors, it is impracticable to precisely determine the fair value of the investment, although the Company estimates that the fair value approximates the carrying value at August 31, 2009.

As of August 31, 2009, the Company reported assets held for sale of $9.6 million, which were comprised of $5.6 million in short-term assets and $4.0 million in long-term assets. The assets represent three properties that the Company intends to sell to third parties within one year, or, in certain circumstances, beyond one year as allowed by SFAS 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*, as the facilities have been deemed unnecessary to current operations.

Other Long-Term Liabilities

Other long-term liabilities consist of the following:

	August 31, 2009	August 31, 2008
Deferred compensation and postretirement benefits other than pensions[1]	$ 33,680	$ 36,209
Postemployment benefit obligation[2]	387	387
FIN 48 Liability, including interest[3]	7,095	7,696
Deferred rent	2,820	3,324
Miscellaneous	3,466	2,812
	$ 47,448	$ 50,428

(1) Deferred compensation and long-term postretirement benefits other than pensions — The Company maintains several non-qualified retirement plans for the benefit of eligible employees, primarily deferred compensation plans. The deferred compensation plans provide for elective deferrals of an eligible employee's compensation and, in some cases, matching contributions by the Company. In addition, one plan provides for an automatic contribution by the Company of 3% of an eligible employee's compensation. The Company maintains certain long-term investments that offset a portion of the deferred compensation liability. The Company maintains life insurance policies on certain current and former officers and other key employees as a means of satisfying a portion of these obligations.

(2) Postemployment benefit obligation — SFAS No. 112, *Employers' Accounting for Postemployment Benefits*, requires the accrual of the estimated cost of benefits provided by an employer to former or inactive employees after employment but before retirement. Acuity Brands' accrual relates primarily to the liability for life insurance coverage for certain eligible employees.

(3) The Company adopted FIN No. 48 — *Accounting for Uncertainty in Income Taxes — an Interpretation of FASB Statement No. 109* effective September 1, 2007. See Note 11 to the *Notes to Consolidated Financial Statements* for more information.

Shipping and Handling Fees and Costs

The Company includes shipping and handling fees billed to customers in *Net Sales*. Shipping and handling costs associated with inbound freight and freight between manufacturing facilities and distribution centers are generally recorded in *Cost of Products Sold*. Other shipping and handling costs are included in *Selling, Distribution, and Administrative Expenses* and totaled $86.8 million, $84.6 million, and $83.3 million in fiscal 2009, 2008, and 2007, respectively.

Share-Based Compensation

The Company accounts for share-based compensation under Statement of Financial Accounting Standards ("SFAS") No. 123(R), *Share-Based Payment*. SFAS No. 123(R) requires compensation cost relating to share-based payment transactions to be recognized in financial statements and that this cost be measured based on the estimated fair value of the equity or liability instrument issued. SFAS No. 123(R) also requires that forfeitures be estimated over the vesting period of the instrument. Effective September 1, 2005, the Company adopted SFAS No. 123(R) using the modified prospective method and applied it to the accounting for the Company's stock options and restricted shares, and share units representing certain deferrals into the Director Deferred Compensation Plan or the Supplemental Deferred Savings Plan (see Note 7 — *Share Based Payments* of *Notes to Consolidated Financial Statements* for further discussion of these plans). Under the modified prospective method, share-based expense recognized after adoption includes: (a) share-based expense for all awards granted prior to, but not yet vested as of September 1, 2005, based on the grant date fair value estimated in accordance with the original provisions of SFAS No. 123, *Accounting for Stock-Based Compensation*, and (b) share-based expense for all awards granted subsequent to September 1, 2005, based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123(R).

Share-based expense includes expense related to restricted stock and options issued, as well as share units deferred into either the Director Deferred Compensation Plan or the Supplemental Deferred Savings Plan. The Company recorded $13.0 million, $12.0 million, and $11.1 million of share-based expense in continuing operations for the years ending August 31, 2009, 2008, and 2007, respectively. Amounts recorded for share-based expense in discontinued operations were $2.2 million for the fiscal year ended August 31, 2007. The total income tax benefit recognized in continuing operations for share-based compensation arrangements was $4.3 million, $4.7 million, and $3.9 million for the years ended August 31, 2009, 2008, and 2007, respectively. The total income tax benefit recognized for share-based compensation arrangements in discontinued operations was less than $1 million in fiscal 2007. The Company did not capitalize any expense related to share-based payments and has recorded share-based expense in *Selling, Distribution, and Administrative Expenses*. The Company accounts for any awards with graded vesting on a straight-line basis.

Excess tax benefits of $0.4 million, $5.0 million, and $15.4 million related to share-based compensation were included in financing activities in the Company's *Statements of Cash Flows* for the years ended August 31, 2009, 2008, and 2007, respectively.

See Note 7 — *Share-Based Payments* of *Notes to Consolidated Financial Statements* for more information.

Depreciation

For financial reporting purposes, depreciation is determined principally on a straight-line basis using estimated useful lives of plant and equipment (10 to 40 years for buildings and related improvements and 5 to 15 years for machinery and equipment) while accelerated depreciation methods are used for income tax purposes. Leasehold improvements are amortized over the life of the lease or the useful life of the improvement, whichever is shorter. Depreciation expense amounted to $29.6 million, $29.7 million, and $28.1 million during the fiscal 2009, 2008, and 2007, respectively.

Research and Development

Research and development ("R&D") costs, which are included in *Selling, Distribution, and Administrative Expenses* in the Company's *Consolidated Statements of Income*, are expensed as incurred. Research and development expenses amounted to $20.8 million, $30.3 million, and $31.3 million during the fiscal 2009, 2008, and 2007, respectively. The decrease in the fiscal 2009 expense was due primarily to lower incentive compensation associated with R&D associates.

Advertising

Advertising costs are expensed as incurred and are included within *Selling, Distribution, and Administrative Expenses* in the Company's *Consolidated Statements of Income*. These costs totaled $8.7 million during fiscal 2009 and $7.6 million during fiscal 2008 and 2007, respectively.

Service Arrangements with Customers

The Company maintains a service program with one of its retail customers that affords the Company certain in-store benefits, including lighting display maintenance. Costs associated with this program totaled $4.8 million, $5.1 million, and $5.4 million in fiscal 2009, 2008, and 2007, respectively. These costs have been included within the *Selling, Distribution, and Administrative Expenses* line item of the Company's *Consolidated Statements of Income* in accordance with EITF Issue 01-09: *Accounting for Consideration Given by a Vendor to a Customer (Including a Reseller of the Vendor's Products)*.

Foreign Currency Translation

The functional currency for the foreign operations of the Company is the local currency. The translation of foreign currencies into U.S. dollars is performed for balance sheet accounts using exchange rates in effect at the balance sheet dates and for revenue and expense accounts using a weighted average exchange rate each month during the year. The gains or losses resulting from the translation are included in *Comprehensive Income* in the *Consolidated Statements of Stockholders' Equity and Comprehensive Income* and are excluded from net income.

Gains or losses relating to foreign currency items are included in *Miscellaneous expense (income), net* in the *Consolidated Statements of Income* and consisted of expense of $2.1 million, income of $2.3 million, and expense of $0.2 million in fiscal 2009, 2008, and 2007, respectively.

Interest Expense, Net

Interest expense, net, is comprised primarily of interest expense on long-term debt, revolving credit facility borrowings, short-term borrowings, and loans collateralized by assets related to the Acuity Brands company-owned life insurance program, partially offset by interest income on cash and cash equivalents.

The following table summarizes the components of interest expense, net:

	Years Ended August 31,		
	2009	2008	2007
Interest expense	$29,556	$34,749	$34,303
Interest income	(1,014)	(6,334)	(4,452)
Interest expense, net	$28,542	$28,415	$29,851

Interest expense, net related to discontinued operations was zero for fiscal 2009 and $0.3 million for both fiscal 2008 and 2007, respectively.

Miscellaneous Expense (Income), Net

Miscellaneous expense (income), net, is composed primarily of gains or losses on foreign currency items and other non-operating items.

Accounting Standards Yet to Be Adopted

In December 2007, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141 (revised 2007), *Business Combinations* ("SFAS No. 141R"). SFAS No. 141R changes accounting for business combinations through a requirement to recognize 100% of the fair values of assets acquired, liabilities assumed, and noncontrolling interests in acquisitions of less than a 100% controlling interest when the acquisition constitutes a change in control of the acquired entity. Other requirements include capitalization of acquired in-process research and development assets, expensing, as incurred, acquisition-related transaction costs and capitalizing restructuring charges as part of the acquisition only if requirements of SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal Activities,* are met. SFAS No. 141R is effective for business combination transactions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008 and is therefore effective for the Company beginning in fiscal 2010. The implementation of this guidance will affect the Company's results of operations and financial position after its effective date only to the extent it completes applicable business combinations subsequent to the effective date, and therefore, the impact can not be determined at this time.

In December 2007, the FASB issued SFAS No. 160, *Noncontrolling Interest in Consolidated Financial Statements, an amendment of ARB No. 51* ("SFAS No. 160"). SFAS No. 160 establishes the economic entity concept of consolidated financial statements, stating that holders of a residual economic interest in an entity have an equity interest in the entity, even if the residual interest is related to only a portion of the entity. Therefore, SFAS No. 160 requires a noncontrolling interest to be presented as a separate component of equity. SFAS No. 160 also states that once control is obtained, a change in control that does not result in a loss of control should be accounted for as an equity transaction. The statement requires that a change resulting in a loss of control and deconsolidation is a significant event triggering gain or loss recognition and the establishment of a new fair value basis in any remaining ownership interests. SFAS No. 160 is effective for fiscal years beginning on or after December 15, 2008 and is therefore effective for the Company beginning in fiscal 2010. The Company does not expect the adoption of SFAS No. 160 to have a material impact on its results of operations and financial position.

In June 2008, FASB issued FASB Staff Position ("FSP") No. EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities* ("FSP EITF 03-6-1"). FSP EITF 03-6-1 was issued to clarify that unvested share-based payment awards with a right to receive nonforfeitable dividends are participating securities. FSP EITF 03-6-1 provides guidance on how to allocate earnings to participating securities and compute basic earnings per share ("EPS") using the two-class method. FSP EITF 03-6-1 is effective for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years, and is therefore effective for the Company beginning the first quarter of fiscal 2010. The implementation of this guidance will impact the Company's EPS calculation. For example, the Company's diluted EPS for the years ended August 31, 2009, 2008, and 2007, under this guidance would be $2.00, $3.51, and $2.89, respectively, as compared to $2.04, $3.57, and $2.93 reported for these periods.

In June 2009, the FASB issued SFAS No. 168, *The FASB Accounting Standards Codification™ and the Hierarchy of Generally Accepted Accounting Principles — a replacement of FASB Statement No. 162* ("SFAS No. 168"), which confirms that as of July 1, 2009, the *FASB Accounting Standards Codification™* ("Codification") is the single official source of authoritative, nongovernmental U.S. GAAP. All existing accounting standard documents are superseded, and all other accounting literature not included in the

Codification is considered nonauthoritative. SFAS No. 168 is effective for interim and annual periods ending after September 15, 2009 and is therefore effective for the Company at the conclusion of the first quarter of 2010. While the Codification is not intended to change U.S. GAAP and, thus, not expected to have an effect on the Company's financial condition, results of operations, or cash flows upon adoption, the Company is reviewing disclosures due to changes in references to U.S. GAAP literature.

Accounting Standards Adopted in Fiscal 2009

In May 2009, the FASB issued SFAS No. 165, *Subsequent Events* ("SFAS No. 165"), which establishes: the period after the balance sheet date during which an entity should evaluate events or transactions for potential recognition or disclosure in the financial statements; the circumstances under which an entity should recognize such events or transactions in its financial statements; and disclosures regarding such events or transactions and the date through which an entity has evaluated subsequent events.

The provisions of SFAS No. 165 were effective for financial statements issued for interim and annual periods ending after June 15, 2009 and were adopted by the Company on August 31, 2009. The Company determined, however, that SFAS No. 165 did not have an effect on the Company's financial condition, results of operations, or cash flows upon adoption, as its guidance is substantially consistent with that previously applied by the Company.

In April 2009, the FASB issued FSP FAS No. 107-1 and Accounting Principles Board Opinion ("APB") No. 28-1, *Interim Disclosures about Fair Value of Financial* Instruments ("FSP FAS No. 107-1 and APB 28-1"), which requires that the fair value of financial instruments be disclosed in an entity's interim financial statements, as well as in annual financial statements. The provisions of FSP FAS No. 107-1 and APB 28-1 also require that fair value information be presented with the related carrying value and that the method and significant assumptions used to estimate fair value, as well as changes in method and significant assumptions, be disclosed.

The provisions of FSP FAS No. 107-1 and APB 28-1 were effective for interim periods ending after June 15, 2009 and were adopted by the Company on August 31, 2009. As the pronouncement only pertains to additional disclosures, the adoption had no effect on the Company's financial condition, results of operations, or cash flows.

In February 2007, the FASB issued SFAS No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities* ("SFAS No. 159"). SFAS No. 159 permits companies, at their election, to measure specified financial instruments and warranty and insurance contracts at fair value on a contract-by-contract basis, with changes in fair value recognized in earnings each reporting period. The election, called the "fair value option," will enable some companies to reduce the volatility in reported earnings caused by measuring related assets and liabilities differently, and it is easier than using the complex hedge-accounting requirements in SFAS No. 133, *Accounting for Derivative Instruments and Hedging Activities*, to achieve similar results. Subsequent changes in fair value for designated items will be required to be reported in earnings in the current period. SFAS No. 159 was effective for financial statements issued for fiscal years beginning after November 15, 2007 and was therefore effective for the Company beginning in fiscal 2009. The Company adopted SFAS No. 159 on September 1, 2008 and elected not to apply the fair value option, and therefore, the adoption did not have an impact on the Company's results of operations or financial position.

In September 2006, the FASB issued SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans*, an amendment of FASB Statements No. 87, 88, 106, and 132(R) ("SFAS No. 158"). SFAS No. 158 requires an employer to: (a) recognize in its statement of financial position the funded status of a benefit plan; (b) measure defined benefit plan assets and obligations as of the end of the employer's fiscal year (with limited exceptions); and (c) recognize as a component of other comprehensive income, net of tax, the gains or losses and prior service costs or credits that arise but are not recognized as components of net periodic benefit costs pursuant to prior existing guidance. The provisions governing recognition of the funded status of a defined benefit plan and related disclosures became effective and were adopted by the Company at the end of fiscal 2007. The requirement to measure plan assets and benefit obligations as of the date of the employer's fiscal year-end statement of financial position is effective for fiscal years ending after December 15, 2008, and was therefore effective for the Company in fiscal 2009. The change in measurement date to August 31 resulted in a reduction to retained earnings of approximately $0.5 million, net of tax.

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* ("SFAS No. 157"). SFAS No. 157 establishes a single authoritative definition of fair value, establishes a framework for measuring fair value, and expands disclosure requirements pertaining to fair value measurements. The provisions of SFAS No. 157 related to financial assets and liabilities as well as other assets and liabilities carried at fair value on a recurring basis were effective for the Company on September 1, 2008. The adoption of these provisions of SFAS No. 157 did not have an impact on the Company's consolidated financial statements. The provisions of SFAS No. 157 related to other nonfinancial assets and liabilities will be effective for the Company on September 1, 2009. The Company does not expect the adoption of these provisions to have a material impact on its results of operations and financial position.

Note 4: Pension and Profit Sharing Plans

Acuity Brands has several pension plans, both qualified and non-qualified, covering certain hourly and salaried employees. Benefits paid under these plans are based generally on employees' years of service and/or compensation during the final years of employment. Acuity Brands makes annual contributions to the plans to the extent indicated by actuarial valuations and required by ERISA or foreign regulatory requirements. Plan assets are invested primarily in equity and fixed income securities.

Effective August 31, 2007, the Company adopted the recognition and disclosure provisions of SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)* ("SFAS No. 158").

Effective for fiscal 2009, the Company adopted the measurement date provisions of SFAS No. 158, *Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R)* ("SFAS No. 158"). Prior to 2009, the Company measured the funded status of its plans as of May 31 of each year. The requirement to measure plan assets and benefit obligations as of the date of the employer's fiscal year-end statement of financial position is effective for fiscal years ending after December 15, 2008, and is therefore effective for the Company in fiscal 2009. The change in measurement date to August 31 resulted in a reduction to retained earnings of approximately $0.5 million, net of tax.

Table of Contents

Index to Financial Statements

The following tables reflect the status of Acuity Brands' domestic (U.S. based) and international pension plans at August 31, 2009 and 2008. Activity related to the three-month gap period created by the change in valuation date from May 31 to August 31 is separately identified. The values of the below listed amounts were measured as of August 31, 2009 and August 31, 2008, respectively:

	Domestic Plans August 31,		International Plans August 31,	
	2009	2008	2009	2008
Change in Benefit Obligation:				
Benefit obligation at beginning of year	$110,501	$110,788	$ 35,867	$ 37,551
Adjustments due to adoption of FAS 158 measurement date provisions:				
Service cost during gap period	620	N/A	13	N/A
Interest cost during gap period	1,662	N/A	459	N/A
Benefits paid during gap period	(1,768)	N/A	(121)	N/A
Service cost	2,480	2,812	52	70
Interest cost	6,649	6,451	1,850	1,980
Actuarial loss (gain)	3,062	(2,977)	(1,093)	663
Curtailment	—	—	(11)	—
Plan Settlements	—	—	(141)	—
Benefits paid	(6,859)	(6,573)	(819)	(656)
Plan Amendments	409	—	—	—
Other	—	—	(3,850)	(3,741)
Benefit obligation at end of year	$116,756	$110,501	$ 32,206	$ 35,867
Change in Plan Assets:				
Fair value of plan assets at beginning of year	$ 92,875	$ 96,190	$ 26,017	$ 29,734
Adjustments due to adoption of FAS 158 measurement date provisions:				
Employer contributions during gap period	607	N/A	268	N/A
Benefits paid during gap period	(1,768)	N/A	(121)	N/A
Actual return on plan assets	(11,576)	237	(2.369)	(1,618)
Employer contributions	2,008	3,021	1,197	1,370
Plan Settlements	—	—	(141)	—
Benefits paid	(6,859)	(6,573)	(819)	(656)
Other	—	—	(2,719)	(2,813)
Fair value of plan assets at end of year	$ 75,287	$ 92,875	$ 21,313	$ 26,017
Funded status at end of year:				
Funded Status	$ (41,469)	$ (17,625)	$ (10,893)	$ (10,110)
Employer contributions from measurement date to fiscal year end	N/A	607	N/A	268
Net amount recognized in Consolidated Balance Sheets	$ (41,469)	$ (17,018)	$ (10,893)	$ (9,842)
Amounts Recognized in the Consolidated Balance Sheets Consist of:				
Non-current assets	$ —	$ 1,078	$ —	$ —
Current liabilities	(1,199)	(1,176)	(37)	(76)
Non-current liabilities	(40,270)	(16,920)	(10,856)	(9,766)
Net amount recognized in Consolidated Balance Sheets	$ (41,469)	$ (17,018)	$ (10,893)	$ (9,842)
Accumulated Benefit Obligation	$115,582	$108,541	$ 29,794	$ 32,857
Amounts in accumulated other comprehensive income:				
Prior service cost	$ (785)	$ (412)	$ —	$ —
Net actuarial loss	(50,525)	(28,039)	(13,771)	(12,340)
Amounts in Accumulated other comprehensive income	$ (51,310)	$ (28,451)	$ (13,771)	$ (12,340)
Estimated amounts that will be amortized from accumulated comprehensive income over the next fiscal year:				
Prior service cost	$ 92	$ 29	$ —	$ —
Net actuarial loss	2,725	1,154	1,010	609

The fair value of plan assets associated with certain of the Company's domestic defined benefit plans did not exceed those plans' projected and accumulated benefit obligations in fiscal 2009 and 2008. The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for domestic defined benefit pension plans with both projected and accumulated benefit obligations in excess of plan assets were, as of August 31, 2009, $116.8 million, $115.6 million, and $75.3 million, respectively. As of August 31, 2008, the projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for domestic defined benefit pension plans with both projected and accumulated benefit obligations in excess of plan assets were $90.1 million, $88.2 million, and $71.4 million, respectively. The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for international defined benefit pension plans with both projected and accumulated benefit obligations in excess of plan assets were $32.2 million, $29.8 million, and $21.3 million, respectively, as of August 31, 2009, and $35.9 million, $32.9 million, and $26.0 million, respectively, as of August 31, 2008.

Components of net periodic pension cost for the fiscal years ended August 31, 2009, 2008, and 2007 included the following:

	Domestic Plans			International Plans		
	2009	2008	2007	2009	2008	2007
Service cost	$ 2,480	$ 2,812	$ 2,420	$ 52	$ 70	$ 71
Interest cost	6,649	6,451	6,275	1,850	1,980	1,804
Expected return on plan assets	(7,432)	(8,058)	(7,099)	(1,772)	(2,292)	(1,777)
Amortization of prior service cost	29	24	26	—	—	—
Amortization of transitional asset	—	—	—	—	—	—
Recognized actuarial loss	1,154	884	1,051	552	373	599
Net periodic pension cost	$ 2,880	$ 2,113	$ 2,673	$ 682	$ 131	$ 697

Weighted average assumptions used in computing the benefit obligation are as follows:

	Domestic Plans		International Plans	
	2009	2008	2009	2008
Discount rate	6.0%	6.3%	5.6%	5.7%
Rate of compensation increase	5.5%	5.5%	4.5%	4.7%

Weighted average assumptions used in computing net periodic benefit cost are as follows:

	Domestic Plans			International Plans		
	2009	2008	2007	2009	2008	2007
Discount rate	6.3%	6.0%	6.3%	5.7%	5.4%	5.0%
Expected return on plan assets	8.3%	8.5%	8.5%	7.4%	7.4%	7.3%
Rate of compensation increase	5.5%	5.5%	5.5%	4.7%	4.1%	3.8%

It is the Company's policy to adjust, on an annual basis, the discount rate used to determine the projected benefit obligation to approximate rates on high-quality, long-term obligations. The Company estimates that each 100 basis point increase in the discount rate would result in reduced net periodic pension cost of approximately $0.8 million for domestic plans. The Company's discount rate used in computing the net periodic benefit cost for its domestic plans increased by 25 basis points in 2009, which contributed to the change in net periodic pension cost associated with those plans. The decrease in service costs associated with the higher discount rate was more than offset by a decrease in expected return on assets due primarily to lower asset balances. The discount rate used in computing the net periodic pension cost for the Company's international plans increased 30 basis points in 2009 over the prior year, resulting in lower service and interest costs. This decrease was more than offset by a lower expected return on plan assets due primarily to lower asset balances, resulting in higher overall periodic benefit costs. The expected return on plan assets is derived from a periodic study of long-term historical rates of return on the various asset classes included in the Company's targeted pension plan asset allocation. The Company estimates that each 100 basis point reduction in the expected return on plan assets would result in additional net periodic pension cost of $0.8 million and $0.2 million for domestic plans and international plans, respectively. The rate of compensation increase is also evaluated and is adjusted by the Company, if necessary, annually.

The Company's investment objective for U.S. plan assets is to earn a rate of return sufficient to match or exceed the long-term growth of the Plans' liabilities without subjecting plan assets to undue risk. The plan assets are invested primarily in high quality equity and debt securities. The Company conducts a periodic strategic asset allocation study to form a basis for the allocation of pension assets between various asset categories. Specific allocation percentages are assigned to each asset category with minimum and maximum ranges established for each. The assets are then managed within these ranges. During 2009, the U.S. targeted asset allocation was 55% equity securities, 40% fixed income securities, and 5% real estate securities. The Company's investment objective for the international plan assets is also to add value by matching or exceeding the long-term growth of the Plans' liabilities. During 2009, the international asset target allocation was 86% equity securities, 12% fixed income securities, and 2% real estate securities.

Acuity Brands' pension plan asset allocation at August 31, 2009 and 2008 by asset category is as follows:

	% of Plan Assets			
	Domestic Plans		International Plans	
	2009	2008	2009	2008
Equity securities	52.8%	53.6%	85.8%	84.0%
Fixed income securities	43.0%	40.6%	12.6%	14.1%
Real estate	4.2%	5.8%	1.6%	1.9%
Total	100.0%	100.0%	100.0%	100.0%

The Company expects to contribute approximately $3.1 million and $1.1 million to its domestic and international defined benefit plans, respectively, during 2010. These amounts are based on the total contributions required during 2010 to satisfy current legal minimum funding requirements for qualified plans and estimated benefit payments for non-qualified plans.

Benefit payments are made primarily from funded benefit plan trusts. Benefit payments are expected to be paid as follows for the years ending August 31:

	Domestic	International
2010	$ 6,279	$ 501
2011	6,398	458
2012	6,548	524
2013	6,737	633
2014	6,985	744
2015-2019	40,073	4,821

Acuity Brands also has defined contribution plans to which both employees and the Company make contributions. The cost to Acuity Brands for these plans was $4.3 million in 2009, $5.5 million in 2008, and $5.5 million in 2007. Employer matching amounts are allocated in accordance with the participants' investment elections for elective deferrals. At August 31, 2009, assets of the domestic defined contribution plans included shares of the Company's common stock with a market value of approximately $5.1 million, which represented approximately 2.8% of the total fair market value of the assets in the Company's domestic defined contribution plans.

Note 5: Debt and Lines of Credit

Debt

The Company's debt at August 31, 2009 and 2008 consisted of the following:

	August 31, 2009	August 31, 2008
6% public notes due February 2009 with an effective interest rate of 6.04%, net of unamortized discount of $17 in 2008	$ —	$ 159,983
6% unsecured promissory note with quarterly principal payments; matures April 2012	27,605	—
8.375% public notes due August 2010 with an effective interest rate of 8.398%, net of unamortized discount of $23 in 2009 and $47 in 2008	199,977	199,953
Industrial revenue bond due 2021	4,000	4,000
	231,582	363,936
Less — Amounts payable within one year included in current liabilities	209,535	159,983
	$ 22,047	$ 203,953

Future annual principal payments of long-term debt are as follows for fiscal years ending August 31:

	Amount
2010	$ 209,535
2011	10,144
2012	7,903
2013	—
2014	—
2015	—
Thereafter	4,000
	$ 231,582

Acuity Brands and its principal operating subsidiary, Acuity Brands Lighting, Inc. ("ABL") are the obligors of the $200 million public notes. Because the public notes trade infrequently, it is difficult to obtain an accurate fair market value of the notes. The fair value of the $200 million public notes is estimated to approximate $207.8 million at August 31, 2009, based on the discounted future cash flows using rates currently available for debt of similar terms and maturity. As of August 31, 2009, the public notes were guaranteed by the subsidiary, Acuity Brands Lighting, Inc. The guarantee of the subsidiary was full and unconditional and joint and several. Acuity Brands has no independent assets or operations (as defined by Regulation S-X 3-10(h)(5)), and each subsidiary of Acuity Brands, other than Acuity Brands Lighting, Inc., is "minor" (as defined by Regulation S-X 3-10(h)(6)). Furthermore, there are no significant restrictions on the ability of Acuity Brands or any guarantor to obtain funds from its subsidiaries by dividend or loan.

On April 20, 2009, ABL issued a three-year $30 million 6% unsecured promissory note to the sole shareholder of Sensor Switch, who continued as an employee of the Company upon completion of the acquisition, as partial consideration for the acquisition of Sensor Switch. Scheduled quarterly payments on the note began on July 1, 2009 with the last payment due April 1, 2012. The lender has certain rights to accelerate the promissory note should the Company refinance the $200 million public notes. The fair value of the $27.6 million outstanding balance, which represents the carrying value of the promissory note, is estimated to approximate $28.0 million at August 31, 2009, and is based on the discounted future cash flows using rates currently available for debt of similar terms and maturity.

The $4.0 million industrial revenue bond matures in 2021. The industrial revenue bond is a tax-exempt variable-rate instrument that resets on a weekly basis, and, therefore, the face amount of the bond approximates the fair value amount. The interest rates on the $4.0 million bond were approximately 0.5% and 1.9% at August 31, 2009 and 2008, respectively.

Lines of Credit

On October 19, 2007, the Company executed a $250 million revolving credit facility (the “Revolving Credit Facility”). The Revolving Credit Facility matures in October 2012 and contains financial covenants including a minimum interest coverage ratio and a leverage ratio (“Maximum Leverage Ratio”) of total indebtedness to EBITDA (earnings before interest, taxes, depreciation and amortization expense), as such terms are defined in the Revolving Credit Facility agreement. These ratios are computed at the end of each fiscal quarter for the most recent 12-month period. The Revolving Credit Facility allows for a Maximum Leverage Ratio of 3.50, subject to certain conditions defined in the financing agreement. The Company was in compliance with all financial covenants and had no outstanding borrowings at August 31, 2009 under the Revolving Credit Facility. At August 31, 2009, the Company had additional borrowing capacity under the Revolving Credit Facility of $242.7 million under the most restrictive covenant in effect at the time, which represents the full amount of the Revolving Credit Facility less outstanding letters of credit of $7.3 million discussed below.

The Revolving Credit Facility bears interest at the option of the borrower based upon either (1) the higher of the JPMorganChase Bank prime rate and the federal funds effective rate plus 0.50%, or (2) the London Inter Bank Offered Rate (“LIBOR”) plus the Applicable Margin (a margin as determined by Acuity Brands’ leverage ratio). Based upon Acuity Brands’ leverage ratio, as defined in the Revolving Credit Facility agreement, the Applicable Margin was 0.41% as of both August 31, 2009 and 2008. During both fiscal 2009 and 2008, commitment fees were computed at a rate of approximately 0.1%, and commitment fees paid during each of those years were approximately $0.2 million.

At August 31, 2009, the Company had outstanding letters of credit totaling $11.5 million, primarily for the purpose of securing collateral requirements under the casualty insurance programs for Acuity Brands and for providing credit support for the Company’s industrial revenue bond. At August 31, 2009, a total of $7.3 million of the letters of credit were issued under the Revolving Credit Facility, thereby reducing the total availability under the facility by such amount.

None of the Company’s existing debt instruments, neither short-term nor long-term, include provisions that would require an acceleration of repayments based solely on changes in the Company’s credit ratings.

Note 6: Common Stock and Related Matters

Stockholder Protection Rights Agreement

The Company’s Board of Directors has adopted a Stockholder Protection Rights Agreement (the “Rights Agreement”). The Rights Agreement contains provisions that are intended to protect the Company’s stockholders in the event of an unsolicited offer to acquire the Company, including offers that do not treat all stockholders equally and other coercive, unfair, or inadequate takeover bids and practices that could impair the ability of the Company’s Board of Directors to fully represent stockholders’ interests. Pursuant to the Rights Agreement, the Company’s Board of Directors declared a dividend of one “Right” for each outstanding share of the Company’s common stock as of November 16, 2001. The Rights will be represented by, and trade together with, the Company's common stock until and unless certain events occur, including the acquisition of 15% or more of the Company's common stock by a person or group of affiliated or associated persons (with certain exceptions, "Acquiring Persons"). Unless previously redeemed by the Company's Board of Directors, upon the occurrence of one of the specified triggering events, each Right that is not held by an Acquiring Person will entitle its holder to purchase one share of common stock or, under certain circumstances, additional shares of common stock at a discounted price. The Rights will cause substantial dilution to a person or group that attempts to acquire the Company on terms not approved by the Company's Board of Directors. Thus, the Rights are intended to encourage persons who may seek to acquire control of the Company to initiate such an acquisition through negotiation with the Board of Directors.

Common Stock

Changes in common stock for the years ended August 31, 2009, 2008, and 2007 were as follows:

	Common Stock	
	Shares	Amount
	(in thousands)	
Balance, August 31, 2006	48,063	$ 481
Issuance of restricted stock grants, net of forfeitures	(3)	(1)
Stock options exercised	1,263	13
Balance, August 31, 2007	49,323	$ 493
Issuance of restricted stock grants, net of forfeitures	154	2
Stock options exercised	212	2
Balance, August 31, 2008	49,689	$ 497
Issuance of restricted stock grants, net of forfeitures	28	1
Stock options exercised	134	1
Balance, August 31, 2009	49,851	$ 499

Since October 2005, the Company's Board of Directors has authorized the repurchase of ten million shares of the Company's outstanding common stock. At August 31, 2009, the Company had repurchased 9.5 million shares at a cost of $395.5 million. During fiscal 2009, the Company re-issued 2.1 million shares as partial consideration for the acquisitions of Sensor Switch, Inc. and Lighting Controls & Design. The re-issued shares were removed from treasury stock using the FIFO cost method. At fiscal year-end, the remaining 7.4 million repurchased shares were recorded as treasury stock at original repurchase cost of $322.3 million.

Preferred Stock

The Company has 50 million shares of preferred stock authorized, 5 million of which have been reserved for issuance under the Stockholder Protection Rights Agreement. No shares of preferred stock had been issued at August 31, 2009 and 2008.

Earnings per Share

The Company computes earnings per share in accordance with SFAS No. 128, *Earnings per Share*. Under this Statement, basic earnings per share is computed by dividing net earnings available to common stockholders by the weighted average number of common shares outstanding during the period. Diluted earnings per share is computed similarly but reflects the potential dilution that would occur if dilutive options were exercised and restricted stock awards were vested. Stock options and restricted stock awards of 333,852 and 509,531, respectively, were excluded from the diluted earnings per share calculation for the year ended August 31, 2009, as the effect of inclusion would have been antidilutive.

The following table calculates basic earnings per common share and diluted earnings per common share for the years ended August 31, 2009, 2008, and 2007:

	Years Ended August 31,		
	2009	2008	2007
Basic earnings per share from continuing operations:			
Income from continuing operations	$85,197	$148,632	$128,687
Basic weighted average shares outstanding	40,781	40,655	42,585
Basic earnings per share from continuing operations	$ 2.09	$ 3.66	$ 3.02
Diluted earnings per share from continuing operations:			
Income from continuing operations	$85,197	$148,632	$128,687
Basic weighted average shares outstanding	40,781	40,655	42,585
Common stock equivalents (stock options and restricted stock)	776	954	1,312
Diluted weighted average shares outstanding	41,557	41,609	43,897
Diluted earnings per share from continuing operations	$ 2.05	$ 3.57	$ 2.93
Basic earnings (loss) per share from discontinued operations:			
(Loss) Income from discontinued operations	$ (288)	$ (377)	$ 19,367
Basic weighted average shares outstanding	40,781	40,655	42,585
Basic (loss) earnings per share from discontinued operations	$ (0.01)	$ (0.01)	$ 0.45
Diluted earnings (loss) per share from discontinued operations:			
(Loss) Income from discontinued operations	$ (288)	$ (377)	$ 19,367
Basic weighted average shares outstanding	40,781	40,655	42,585
Common stock equivalents (stock options and restricted stock)	776	954	1,312
Diluted weighted average shares outstanding	41,557	41,609	43,897
Diluted (loss) earnings per share from discontinued operations	$ (0.01)	$ (0.01)	$ 0.44

Note 7: Share-Based Payments

Long-term Incentive and Directors' Equity Plans

Effective November 30, 2001, Acuity Brands adopted the Acuity Brands, Inc. Long-Term Incentive Plan (the "Plan") for the benefit of officers and other key management personnel. An aggregate of 8.1 million shares was originally authorized for issuance under that plan. In October 2003, the Board of Directors approved the Acuity Brands, Inc. Amended and Restated Long-Term Incentive Plan (the "Amended Plan"), including an increase of 5.0 million in the number of shares available for grant. However, the Board of Directors subsequently committed that not more than 3.0 million would be available without further shareholder approval. In December 2003, the shareholders approved the Amended Plan. The Amended Plan provides for issuance of share-based awards, including stock options and performance-based and time-based restricted stock awards. The Amended Plan was further amended in October 2007, including the release of the remaining 2.0 million shares and an increase of an additional 500,000 shares. In January 2008, the shareholders approved the Amended Plan. In addition to the Amended Plan, in November 2001, the Company adopted the Acuity Brands, Inc. 2001 Nonemployee Directors' Stock Option Plan (the "Directors' Plan"), under which 300,000 shares were authorized for issuance. In January 2007, the Directors' Plan was amended to provide that no further annual grants of stock options would be made to nonemployee directors.

Restricted Stock Awards

As of August 31, 2009, the Company had approximately 683,000 shares outstanding of restricted stock to officers and other key employees under the Amended Plan. The shares vest over a four-year period and are valued at the closing stock price on the date of the grant. Compensation expense recognized in continuing operations related to the awards under the Amended Plan was $9.0 million, $8.2 million, and $7.0 million in fiscal 2009, 2008, and 2007, respectively. The Company incurred expenses related to the restricted stock held by current and former employees of the Company and Zep at the time of the Spin-off. Compensation expense related to these awards was recognized in discontinued operations and amounted to $1.8 million in fiscal 2007.

Additionally, the Company awarded restricted stock to certain employees on an individual basis based on a number of factors, including individual achievements, additional job responsibilities, relocation, and employee recruitment and retention, in fiscal 2009 and prior years. As of August 31, 2009, approximately 231,000 shares related to these awards were outstanding. Compensation expense recognized in continuing operations related to these awards was $1.6 million, $1.4 million, and $1.1 million in fiscal 2009, 2008, and 2007, respectively. Compensation expense recognized in discontinued operations related to these awards was $0.4 million in fiscal 2007.

Activity related to restricted stock awards during the fiscal year ended August 31, 2009 was as follows:

	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value
Outstanding at August 31, 2008	747	$ 41.88
Granted	573	$ 29.92
Vested	(257)	$ 38.55
Forfeited	(149)	$ 40.19
Outstanding at August 31, 2009	914	$ 35.65

As of August 31, 2009, there was $29.0 million of total unrecognized compensation cost related to unvested restricted stock. That cost is expected to be recognized over a weighted-average period of 2.4 years. The total fair value of shares vested during the years ended August 31, 2009 and 2008, was approximately $9.3 million and $17.8 million, respectively.

Stock Options

Options issued under the Plan are generally granted with an exercise price equal to the fair market value of the Company's stock on the date of grant and expire 10 years from the date of grant. These options generally vest and become exercisable over a three-year period. The stock options granted under the Directors' Plan vest and become exercisable one year from the date of grant. These options have an exercise price equal to the fair market value of the Company's stock on the date of the grant and expire 10 years from that date. As of August 31, 2009, approximately 120,000 shares had been granted under the Director's Plan. Shares available for grant under all plans were approximately 3.2 million at August 31, 2009. Shares available for grant under all plans were approximately 3.8 million and 1.7 million at August 31, 2008 and 2007. Forfeited shares and shares that are exchanged to offset taxes are returned to the pool of shares available for grant. The Director Stock Option Plan was frozen with respect to future awards effective January 1, 2007.

The fair value of each option was estimated on the date of grant using the Black-Scholes model. The dividend yield was calculated based on annual dividends paid and the trailing 12-month average closing stock price at the time of grant. Expected volatility was based on historical volatility of the Company's stock, calculated using the most recent time period equal to the expected life of the options. The risk-free interest rate was based on the U.S. Treasury yield for a term equal to the expected life of the options at the time of grant. The Company used historical exercise behavior data of similar employee groups to determine the expected life of options. All inputs into the Black-Scholes model are estimates made at the time of grant. Actual realized value of each option grant could materially differ from these estimates, without impact to future reported net income.

The following weighted average assumptions were used to estimate the fair value of stock options granted in the fiscal years ended August 31:

	2009	2008	2007
Dividend yield	1.2 - 1.4%	1.1%	1.6%
Expected volatility	40.1 - 40.3%	36.4%	35.0%
Risk-free interest rate	1.9 - 2.6%	4.0%	4.6%
Expected life of options	5 years	5 years	5 years
Weighted-average fair value of options granted	$7.53 - $11.13	$13.90	$15.01

In addition to the options granted as a part of the annual incentive award, the Board of Directors approved a supplemental option grant related to the assumption of additional duties by certain executives and key employees which was granted in April 2009. As a result, the assumptions used in 2009 are reflected as a range of values.

Stock option transactions for the stock option plans and stock option agreements during the years ended August 31, 2009, 2008, and 2007 were as follows:

	Outstanding			Exercisable		
	Number of Shares	Weighted Average Exercise Price		Number of Shares	Weighted Average Exercise Price	
	(share data in thousands)			(share data in thousands)		
Outstanding at August 31, 2006	2,656	$	22.78	2,028	$	21.31
Granted	155	$	45.62			
Exercised	(1,298)	$	21.50			
Cancelled	(15)	$	31.30			
Outstanding at August 31, 2007	1,498	$	26.18	1,196	$	23.08
Spin Conversion	194	$	21.69			
Granted	166	$	40.29			
Exercised	(211)	$	19.67			
Cancelled	(49)	$	25.42			
Outstanding at August 31, 2008	1,598	$	23.78	1,283	$	20.26
Granted	278	$	29.21			
Exercised	(134)	$	20.34			
Cancelled	(44)	$	33.59			
Outstanding at August 31, 2009	1,698	$	24.69	1,289	$	22.09
Range of option exercise prices:						
$10.00 – $15.00 (average life – 1.9 years)	364	$	12.14	364	$	12.14
$15.01 – $20.00 (average life – 3.5 years)	172	$	19.44	172	$	19.44
$20.01 – $25.00 (average life – 5.7 years)	382	$	22.23	298	$	22.05
$25.01 – $30.00 (average life – 4.9 years)	257	$	26.05	257	$	26.05
$30.01 – $40.00 (average life – 7.9 years)	523	$	36.29	198	$	37.62

The total intrinsic value of options exercised during the years ended August 31, 2009 and 2008 was $5.6 million and $9.7 million, respectively. As of August 31, 2009, the total intrinsic value of options outstanding and expected to vest were each $14.8 million, and the total intrinsic value of options exercisable was $14.0 million. As of August 31, 2009, there was $2.9 million of total unrecognized compensation cost related to unvested options. That cost is expected to be recognized over a weighted-average period of approximately 1.7 years.

Employee Stock Purchase Plan

Employees are able to purchase, through payroll deduction, common stock at a 5% discount on a monthly basis. There were 1.5 million shares of the Company's common stock reserved for purchase under the plan, of which approximately 1.1 million shares remain available as of August 31, 2009. Employees may participate at their discretion.

Share Units

The Company requires its Directors to defer at least 50% of their annual retainer into the Directors' Deferred Compensation Plan. Under this plan, until June 29, 2006, the deferred cash was converted into share units using the average of the high and low prices for the five days prior to the deferral date. The share units were adjusted to current market value each month and earned dividend equivalents. Upon retirement, the Company distributed cash to the retiree in a lump sum or five annual installments. The distribution amount was calculated as share units times the average of the high and low prices for the five days prior to distribution (defined as "fair market value" in the Directors' Deferred Compensation Plan). On June 29, 2006, the Board of Directors amended this plan to convert existing share units and future deferrals to cash-based, interest bearing deferrals at fair market value or stock-based deferrals, with distribution only in the elected form upon retirement. Existing share deferrals were valued at the fair market value at the date of election and future share deferrals will be calculated at fair market value at the date of the deferral and will no longer vary with fluctuations in the Company's stock price. As of August 31, 2009, approximately 175,000 share units were accounted for in this plan.

Additionally, the Company allowed employees to defer a portion of restricted stock awards granted in fiscal 2003 and fiscal 2004 into the Supplemental Deferred Savings Plan as share units. Those share units were adjusted to the current market value at the end of each month. On June 29, 2006, the Board of Directors amended this plan to distribute those share unit deferrals in stock rather than cash. The shares were valued at the closing stock price on the date of conversion and expense related to these shares will no longer vary with fluctuations in the Company's stock price. As of August 31, 2009 approximately 60,000 fully vested share units were accounted for in this plan.

Treatment of Stock Options, Restricted Stock Awards, and Restricted Stock Units pursuant to the Spin-off of Zep

The employee benefits agreement entered into between Acuity Brands, Inc. and Zep Inc. provided that at the time of the Spin-off, Acuity Brands stock options held by Zep's current employees (but not former employees) were generally converted to, and replaced by, Zep stock options in accordance with a conversion ratio such that the intrinsic value of the underlying awards remains unaffected by the Spin-off. The employee benefits agreement also provided that, at the time of the Spin-off, Acuity Brands stock options held by current and former Acuity Brands employees and former Zep employees were adjusted with regard to the exercise price of and number of Acuity Brands shares underlying the Acuity Brands stock options to maintain the intrinsic value of the options, pursuant to the applicable Acuity Brands long-term incentive plan.

Each of the current and former employees of Acuity Brands and Zep holding unvested shares of restricted stock of Acuity Brands received a dividend of one share of Zep restricted stock for each two shares of Acuity Brands unvested restricted stock held. The shares of Zep stock received as a dividend are subject to the same restrictions and terms as the Acuity Brands restricted stock. The shares of Zep common stock were fully paid and non-assessable and the holders thereof are not entitled to preemptive rights.

Effective immediately after the Spin-off of the specialty products business, the number of shares represented by restricted stock units were converted in the same manner as the above mentioned stock option awards.

Note 8: Commitments and Contingencies

Self-Insurance

It is the policy of Acuity Brands to self-insure, up to certain limits, traditional risks including workers' compensation, comprehensive general liability, and auto liability. The Company's self-insured retention for each claim involving workers' compensation, comprehensive general liability (including product liability claims), and auto liability is limited to $0.5 million per occurrence of such claims. A provision for claims under this self-insured program, based on the Company's estimate of the aggregate liability for claims incurred, is revised and recorded annually. The estimate is derived from both internal and external sources including but not limited to the Company's independent actuary. Acuity Brands is also self-insured up to certain limits for certain other insurable risks, primarily physical loss to property ($0.5 million per occurrence) and business interruptions resulting from such loss lasting three days or more in duration. Insurance coverage is maintained for catastrophic property and casualty exposures as well as those risks required to be insured by law or contract. Acuity Brands is fully self-insured for certain other types of liabilities, including employment practices, environmental, product recall, and patent infringement. The actuarial estimates are subject to uncertainty from various sources, including, among others, changes in claim reporting patterns, claim settlement patterns, judicial decisions, legislation, and economic conditions. Although Acuity Brands believes that the actuarial estimates are reasonable, significant differences related to the items noted above could materially affect the Company's self-insurance obligations, future expense and cash flow. The Company is also self-insured for the majority of its medical benefit plans. The Company estimates its aggregate liability for claims incurred by applying a lag factor to the Company's historical claims and administrative cost experience. The appropriateness of the Company's lag factor is evaluated and revised annually, as necessary.

Leases

Acuity Brands leases certain of its buildings and equipment under noncancelable lease agreements. Minimum lease payments under noncancelable leases for years subsequent to August 31, 2009, are $14.4 million, $12.7 million, $9.3 million, $6.0 million, $3.0 million, and $3.1 million for fiscal 2010, 2011, 2012, 2013, 2014, and after 2015, respectively.

Total rent expense was $18.2 million, $18.8 million, and $18.7 million in fiscal 2009, 2008, and 2007, respectively.

Purchase Obligations

The Company has incurred purchase obligations in the ordinary course of business that are enforceable and legally binding. Obligations for years subsequent to August 31, 2009 include $81.7 million and $0.6 million in fiscal 2010 and 2011, respectively. As of August 31, 2009, the Company had no purchase obligations extending beyond August 31, 2011.

Collective Bargaining Agreements

Approximately 57% of the Company's total work force is covered by collective bargaining agreements. Collective bargaining agreements representing approximately 34% of the Company's work force will expire within one year.

Litigation

Acuity Brands is subject to various legal claims arising in the normal course of business, including patent infringement and product liability claims. Acuity Brands is self-insured up to specified limits for certain types of claims, including product liability, and is fully self-insured for certain other types of claims, including environmental, product recall, and patent infringement. Based on information currently available, it is the opinion of management that the ultimate resolution of pending and threatened legal proceedings will not have a material adverse effect on the financial condition, results of operations, or cash flows of Acuity Brands. However, in the event of unexpected future developments, it is possible that the ultimate resolution of any such matters, if unfavorable, could have a material adverse effect on the financial condition, results of operations, or cash flows of Acuity Brands in future periods. Acuity Brands establishes reserves for legal claims when the costs associated with the claims become probable and can be reasonably estimated. The actual costs of resolving legal claims may be substantially higher than the amounts reserved for such claims. However, the Company cannot make a meaningful estimate of actual costs to be incurred that could possibly be higher or lower than the amounts reserved.

Environmental Matters

The operations of the Company are subject to numerous comprehensive laws and regulations relating to the generation, storage, handling, transportation, and disposal of hazardous substances, as well as solid and hazardous wastes, and to the remediation of contaminated sites. In addition, permits and environmental controls are required for certain of the Company's operations to limit air and water pollution, and these permits are subject to modification, renewal, and revocation by issuing authorities. On an ongoing basis, Acuity Brands invests capital and incurs operating costs relating to environmental compliance. Environmental laws and regulations have generally become stricter in recent years. The cost of responding to future changes may be substantial. Acuity Brands establishes reserves for known environmental claims when the costs associated with the claims become probable and can be reasonably estimated. The actual cost of environmental issues may be substantially higher or lower than that reserved due to difficulty in estimating such costs.

Guarantees and Indemnities

The Company is a party to contracts entered into in the normal course of business in which it is common for the Company to agree to indemnify third parties for certain liabilities that may arise out of or relate to the subject matter of the contract. In most cases, the Company cannot estimate the potential amount of future payments under these indemnities until events arise that would result in a liability under the indemnities. In connection with the sale of assets and the divestiture of businesses, the Company has from time to time agreed to indemnify the purchaser from liabilities relating to events occurring prior to the sale and conditions existing at the time of the sale. The indemnities generally include potential environmental liabilities, general representations and warranties concerning the asset or business, and certain other liabilities not assumed by the purchaser. Indemnities associated with the divestiture of businesses are generally limited in amount to the sales price of the specific business or are based on a lower negotiated amount and expire at various times, depending on the nature of the indemnified matter, but in some cases do not expire until the applicable statute of limitations expires. The Company does not believe that any amounts that it may be required to pay under these indemnities will be material to the Company's results of operations, financial position, or cash flow.

In conjunction with the separation of their businesses (the "Distribution"), Acuity Brands and Zep entered into various agreements that addressed the allocation of assets and liabilities and defined the Company's relationship with Zep after the Distribution, including a distribution agreement and a tax disaffiliation agreement. The distribution agreement provides that Acuity Brands will indemnify Zep for liabilities related to the businesses that comprise Acuity Brands. The tax disaffiliation agreement provides that Acuity Brands will indemnify Zep for certain taxes and liabilities that may arise related to the Distribution and, generally, for deficiencies, if any, with respect to federal, state, local, or foreign taxes of Zep for periods before the Distribution. Liabilities determined under the tax disaffiliation agreement terminate upon the expiration of the applicable statutes of limitation for such liabilities. There is no stated maximum potential liability included in the tax disaffiliation agreement or the distribution agreement. The Company does not believe that any amounts it is likely to be required to pay under these indemnities will be material to the Company's results of operations, financial position, or liquidity. The Company cannot estimate the potential amount of future payments under these indemnities because claims that would result in a liability under the indemnities are not fully known.

Product Warranty and Recall Costs

Acuity Brands records an allowance for the estimated amount of future warranty claims when the related revenue is recognized, primarily based on historical experience of identified warranty claims. However, there can be no assurance that future warranty costs will not exceed historical experience. If actual future warranty costs exceed historical amounts, additional allowances may be required, which could have a material adverse impact on the Company's results of operations and cash flows in future periods.

The changes in product warranty and recall reserves (included in *Other accrued liabilities* on the *Consolidated Balance Sheets)* during the fiscal years ended August 31, 2009 and 2008 are summarized as follows:

	2009	2008
Balance, beginning of year	$ 4,888	$ 4,393
Adjustments to warranty and recall reserve	2,736	6,190
Payments made during the year	(4,229)	(5,695)
Balance, end of year	$ 3,395	$ 4,888

The decrease in the product warranty and recall reserve in fiscal 2009 was due primarily to reserves for certain specifically identified issues and warranty costs related to faulty components provided by third parties during fiscal 2008 which was not repeated in fiscal 2009.

Note 9: Special Charge

Fiscal 2009 Special Charge

On October 6, 2008, the Company announced plans to accelerate its ongoing programs to streamline operations including the consolidation of certain manufacturing facilities and the reduction of certain overhead costs. These actions are expected to allow the Company to better leverage efficiencies in its supply chain and support areas, while funding continued investments in other areas that support future growth opportunities. During fiscal 2009, the Company recorded a pre-tax charge of $26.7 million, or $0.41 per diluted share. The $26.7 million pre-tax charge consists of $25.6 million for estimated severances and employee benefits as well as estimated retention payments related to the previously announced consolidation of certain manufacturing operations and reductions in workforce and a $1.6 million impairment of assets related to the closing of a manufacturing facility, partially offset by a $0.5 million adjustment to the fiscal 2008 special charge.

The changes in the reserves related to the 2009 program during the twelve months ended August 31, 2009 are summarized as follows:

	Severance
Balance as of August 31, 2008	$ —
Special charge	25,221
Payments made during the period	(14,253)
Balance as of August 31, 2009	$ 10,968

Fiscal 2008 Special Charge

During fiscal 2008, the Company recorded a pre-tax charge of $14.6 million, or $0.21 per diluted share, for actions to streamline and simplify the Company's organizational structure and operations as a result of the Spin-off of Zep Inc. The charge consisted of severance and related employee benefit costs associated with the elimination of certain positions worldwide, the estimated costs associated with the early termination of certain leases, and $0.8 million of share-based expense due to the modification of the terms of agreements to accelerate vesting for certain terminated employees.

The changes in the reserves related to these programs during the twelve months ended August 31, 2009 are summarized as follows:

	Severance	Exit Costs
Balance as of August 31, 2008	$ 3,409	$ 1,848
Special charge adjustment	(120)	(380)
Payments made during the period	(3,289)	(600)
Balance as of August 31, 2009	$ —	$ 868

Note 10: Acquisitions

On April 20, 2009, the Company acquired 100% of the outstanding capital stock of Sensor Switch, an industry-leading developer and manufacturer of lighting controls and energy management systems. Sensor Switch, based in Wallingford, Connecticut, offers a wide-breadth of products and solutions that substantially reduce energy consumption including occupancy sensors, photocontrols, and distributed lighting control devices. Total consideration for the purchase was approximately $205 million consisting of 2 million shares of Acuity Brands' common stock, a $30 million unsecured promissory note payable over three years, and approximately $130 million of cash. The cash payment was funded from available cash on hand and from borrowings under the Company's existing Revolving Credit Facility. The operating results of Sensor Switch have been included in the Company's consolidated financial statements since the date of acquisition. Management finalized the purchase price allocation during fiscal 2009 and the amounts are reflected in the *Consolidated Balance Sheets* as of August 31, 2009. Pro forma results and other expanded disclosures required by SFAS No. 141, *Business Combinations* ("SFAS No. 141"), have not been presented as the purchase of Sensor Switch does not represent a material acquisition.

On December 31, 2008, the Company acquired for cash and stock substantially all the assets and assumed certain liabilities of LC&D. Located in Glendale, California, LC&D is a manufacturer of comprehensive digital lighting controls and software that offers a breadth of products, ranging from dimming and building interfaces to digital thermostats, all within a single, scalable system. The operating results of LC&D have been included in the Company's consolidated financial statements since the date of acquisition. Management finalized the purchase price allocation during fiscal 2009 and the amounts are reflected in the *Consolidated Balance Sheets* as of August 31, 2009. Pro forma results and other expanded disclosures required by SFAS No. 141 have not been presented as the purchase of LC&D does not represent a material acquisition.

On May 7, 2008, Acuity Brands acquired substantially all the assets of Guardian Networks LLC ("Guardian"). Located in Kennesaw, Georgia, Guardian is a leading provider of remote asset management software and service that enable utility, municipal, and other customers to efficiently monitor and manage facility and infrastructure assets such as lighting systems. The operating results of Guardian have been included in the Company's consolidated financial statements since the date of acquisition. Management finalized the purchase price allocation during the fiscal 2008 and the amounts are reflected in the *Consolidated Balance Sheets* as of August 31, 2008. Pro forma results and other expanded disclosures required by SFAS No. 141 have not been presented as the purchase of Guardian does not represent a material acquisition.

On July 17, 2007, Acuity Brands acquired substantially all the assets and assumed certain liabilities of Mark Architectural Lighting. Located in Edison, New Jersey, Mark Architectural Lighting is a specification-oriented manufacturer of high-quality lighting products which generated fiscal 2006 sales of over $22 million. The operating results of Mark Architectural Lighting have been included in the Company's consolidated financial statements since the date of acquisition. Management finalized the purchase price allocation during fiscal 2008 and the amounts are reflected in the *Consolidated Balance Sheets* as of August 31, 2008. Pro forma results and other expanded disclosures required by SFAS No. 141, *Business Combinations*, have not been presented as the purchase of Mark Architectural Lighting does not represent a material acquisition.

Note 11: Income Taxes

The Company accounts for income taxes using the asset and liability approach as prescribed by SFAS No. 109, *Accounting for Income Taxes* ("SFAS No. 109"). This approach requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Using the enacted tax rates in effect for the year in which the differences are expected to reverse, deferred tax liabilities and assets are determined based on the differences between the financial reporting and the tax basis of an asset or liability.

The provision for income taxes consists of the following components:

	Years Ended August 31,		
	2009	2008	2007
Provision for current federal taxes	$35,140	$62,045	$56,405
Provision for current state taxes	4,231	7,255	5,229
Provision for current foreign taxes	3,580	5,290	5,620
(Benefit)/Provision for deferred taxes	(825)	7,328	(1,755)
Total provision for income taxes	$42,126	$81,918	$65,499

A reconciliation of the federal statutory rate to the total provision for income taxes is as follows:

	Years Ended August 31,		
	2009	2008	2007
Federal income tax computed at statutory rate	$44,562	$80,694	$67,965
State income tax, net of federal income tax benefit	2,448	4,704	3,347
Foreign permanent differences and rate differential	(804)	(1,466)	(1,382)
Tax (benefit) on repatriation of foreign earnings	(381)	1,018	(1,488)
Other, net	(3,699)	(3,032)	(2,943)
Total provision for income taxes	$42,126	$81,918	$65,499

Components of the net deferred income tax asset at August 31, 2009 and net deferred tax liability at August 31, 2008 include:

	August 31, 2009	August 31, 2008
Deferred Income Tax Liabilities:		
Depreciation	$ (3,595)	$ (5,267)
Goodwill and intangibles	(54,612)	(52,663)
Other liabilities	(1,217)	(1,707)
Total deferred income tax liabilities	(59,424)	(59,637)
Deferred Income Tax Assets:		
Self-insurance	4,713	5,295
Pension	18,788	7,560
Deferred compensation	26,523	27,705
Bonuses	58	1,295
Other accruals not yet deductible	14,683	12,635
Other assets	1,032	1,641
Total deferred income tax assets	65,797	56,131
Net deferred income tax asset (liability)	$ 6,373	$ (3,506)

Acuity Brands currently intends to indefinitely reinvest all undistributed earnings of and original investments in foreign subsidiaries, which amounted to approximately $30.2 million at August 31, 2009; however, this amount could fluctuate due to changes in business, economic, or other conditions. If these earnings were distributed to the U.S. in the form of dividends or otherwise, or if the shares of the relevant foreign subsidiaries were sold or otherwise transferred, the Company would be subject to additional U.S. income taxes (subject to an adjustment for foreign tax credits) and foreign withholding taxes. Determination of the amount of unrecognized deferred income tax liability related to these earnings or investments is not practicable.

At August 31, 2009 and August 31, 2008, no valuation allowances on deferred tax assets were deemed necessary. Typically, these allowances are required to reflect the net realizable value of state tax credit carryforwards.

At August 31, 2009 the Company has state tax credit carryforwards of approximately $0.5 million, which will expire between 2013 and 2018.

As described in Note 3 — *Summary of Significant Accounting Policies*, Financial Accounting Standards Board Interpretation No. 48, *Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement No. 109* (“FIN 48”), is effective for fiscal years beginning after December 15, 2006 and was adopted by the Company on September 1, 2007. The cumulative effect of adopting FIN 48 was not material. The amount of gross unrecognized tax benefits as of the date of the adoption was approximately $6.9 million of which approximately $5.7 million, if recognized, would affect the effective tax rate. The gross amount of unrecognized tax benefits as of August 31, 2009 totaled $7.2 million, which includes $5.9 million of net unrecognized tax benefits that, if recognized, would affect the annual effective tax rate. The Company recognizes potential interest and penalties related to unrecognized tax benefits as a component of income tax expense; such accrued interest and penalties are not material. With few exceptions, the Company is no longer subject to United States federal, state and local income tax examinations for years ended before 2006 or for foreign income tax examinations before 2004. The Company does not anticipate unrecognized tax benefits will significantly increase or decrease within the next twelve months.

A reconciliation of the change in the unrecognized income tax benefit reported in Other long-term liabilities for the year ended August 31, 2009 is as follows:

	August 31, 2009
Unrecognized tax benefits balance at September 1, 2008	$ 6,872
Additions based on tax positions related to the current year	410
Additions for tax positions of prior years	545
Reductions for tax positions of prior years	(21)
Reductions due to settlements	(339)
Reductions due to lapse of statute of limitations	(236)
Unrecognized tax benefits balance at August 31, 2009	$ 7,231

During fiscal 2009, the Company decreased its interest accrual associated with uncertain tax positions by approximately $0.1 million. Total accrued interest as of August 31, 2009 was $0.9 million. There were no penalty accruals during fiscal 2009. Interest, net of tax benefit, and penalties are included in tax expense. The classification of interest and penalties did not change as a result of our adoption of FIN 48.

Note 12: Subsequent Events

The Company has evaluated subsequent events for recognition and disclosure through October 29, 2009, which is the date the financial statements as of August 31, 2009 and for the twelve months ended August 31, 2009 were issued.

Note 13: Fair Value Measurements

In accordance with SFAS No. 157, Acuity Brands determines a fair value measurement based on the assumptions a market participant would use in pricing an asset or liability. SFAS No. 157 established a three level hierarchy making a distinction between market participant assumptions based on (i) unadjusted quoted prices for identical assets or liabilities in an active market (Level 1), (ii) quoted prices in markets that are not active or inputs that are observable either directly or indirectly for substantially the full term of the asset or liability (Level 2), and (iii) prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement (Level 3). The following table presents information about assets and liabilities required to be carried at fair value on a recurring basis as of August 31, 2009:

	Fair Value Measurements as of August 31, 2009 using:			
	Fair Value as of August 31, 2009	Level 1	Level 2	Level 3
Assets:				
Cash and cash equivalents	$ 18,683	$18,683	$ —	$ —
Long-term investments[(1)]	4,734	4,734	—	—
Liabilities:				
Deferred compensation plan[(2)]	$ 4,734	$ 4,734	$ —	$ —

(1) The Company maintains certain investments that generate returns that offset changes in certain liabilities related to deferred compensation arrangements.
(2) The Company maintains a self-directed, non-qualified deferred compensation plan structured as a rabbi trust primarily for certain retired executives and other highly compensated employees.

Note: Fair value information on assets and liabilities not carried at fair value are included in Note 2 for Investments in nonconsolidating affiliates and Note 5 for Debt.

The Company utilizes valuation methodologies to determine the fair values of its financial assets and liabilities in conformity with the concepts of “exit price” and the fair value hierarchy as prescribed in SFAS No. 157. All valuation methods and assumptions are validated at least quarterly to ensure the accuracy and relevance of the fair values. There were no material changes to the valuation methods or assumptions used to determine fair values during the current period.

The following valuation methods and assumptions were used by the Company in estimating the fair value of the following assets and liabilities:

Cash and cash equivalents are classified as Level 1 assets. The carrying amounts for cash reflect the assets’ fair values, and the fair values for cash equivalents are determined based on quoted market prices.

Long-term investments are classified as Level 1 assets. These investments consist primarily of publicly traded marketable equity securities and fixed income securities, and the fair values are obtained through market observable pricing.

Deferred compensation plan liabilities are classified as Level 1 within the hierarchy. The fair values of the liabilities are directly related to the valuation of the long-term investments held in trust for the plan. Hence, the carrying value of the deferred compensation liability represents the fair value of the investment assets.

The Company does not possess any assets or liabilities that are carried at fair value on a recurring basis classified as Level 3 assets or liabilities.

Note 14: Geographic Information

The Company has one operating segment. The geographic distribution of the Company’s net sales, operating profit, income from continuing operations before provision for income taxes, and long-lived assets is summarized in the following table for the years ended August 31:

	2009	2008	2007
Net sales(1)			
Domestic(2)	$ 1,479,747	$ 1,804,628	$ 1,758,383
International	177,657	222,016	206,398
	$ 1,657,404	$ 2,026,644	$ 1,964,781
Operating profit			
Domestic(2)	$ 139,013	$ 242,502	201,485
International	14,740	18,558	20,938
	$ 153,753	$ 261,060	$ 222,423
Income from Continuing Operations before Provision for Income Taxes			
Domestic(2)	$ 111,354	$ 212,975	$ 173,219
International	15,969	17,575	20,967
	$ 127,323	$ 230,550	$ 194,186
Long-lived assets(3)			
Domestic(2)	$ 140,107	$ 138,979	$ 145,333
International	32,207	41,940	43,270
	$ 172,314	$ 180,919	$ 188,603

(1) Net sales are attributed to each country based on the selling location.
(2) Domestic amounts include net sales (including export sales), operating profit, income from continuing operations before provision for income taxes, and long-lived assets for U.S. based operations.
(3) Long-lived assets include net property, plant, and equipment, defined benefit plan intangible assets, long-term deferred income tax assets, and other long-term assets for continuing operations.

Note 15: Quarterly Financial Data (Unaudited)

	Fiscal Year 2009				Fiscal Year 2008			
	1st Quarter(1)	2nd Quarter	3rd Quarter	4th Quarter	1st Quarter(2)	2nd Quarter	3rd Quarter	4th Quarter
Net Sales	$ 452,025	$ 386,139	$ 396,628	$ 422,611	$ 508,865	$ 482,584	$ 512,438	$ 522,757
Gross Profit	174,723	141,398	153,605	165,370	203,189	192,036	208,192	212,378
Income from Continuing Operations	19,415	14,368	22,326	29,086	30,925	34,144	41,658	41,906
Income (Loss) from Discontinued Operations	—	—	(299)	10	147	—	(525)	—
Net Income	$ 19,415	$ 14,368	$ 22,027	$ 29,096	$ 31,072	$ 34,144	$ 41,133	$ 41,906
Basic Earnings per Share from Continuing Operations	$ 0.49	$ 0.36	$ 0.55	$ 0.69	$ 0.74	$ 0.84	$ 1.04	$ 1.05
Basic Earnings per Share from Discontinued Operations	—	—	(0.01)	0.00	0.00	—	(0.01)	—
Basic Earnings per Share	$ 0.49	$ 0.36	$ 0.54	$ 0.69	$ 0.74	$ 0.84	$ 1.03	$ 1.05
Diluted Earnings per Share from Continuing Operations	$ 0.48	$ 0.35	$ 0.54	$ 0.68	$ 0.72	$ 0.82	$ 1.01	$ 1.02
Diluted Earnings per Share from Discontinued Operations	—	—	(0.01)	0.00	0.00	—	(0.01)	—
Diluted Earnings per Share	$ 0.48	$ 0.35	$ 0.53	$ 0.68	$ 0.72	$ 0.82	$ 1.00	$ 1.02

(1) Income from Continuing Operations, Net Income, Basic Earnings per Share from Continuing Operations, and Diluted Earnings per Share from Continuing Operations for fiscal 2009 include a pre-tax special charge of $26.7 million ($16.8 million after-tax), or $0.41 per share for estimated costs the company incurred to simplify and streamline its operations.
(2) Income from Continuing Operations, Net Income, Basic Earnings per Share from Continuing Operations, and Diluted Earnings per Share from Continuing Operations for the first quarter of fiscal 2008 include a pre-tax special charge of $14.6 million ($9.1 million after-tax), or $0.21 per share for estimated costs the company incurred to simplify and streamline its operations as a result of the Spin-off.

Item 9. *Changes in and Disagreements with Accountants on Accounting and Financial Disclosure*

None.

Item 9a. *Controls and Procedures*

Disclosure controls and procedures are controls and other procedures that are designed to reasonably ensure that information required to be disclosed in the reports filed or submitted by the Company under the Securities Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the Securities and Exchange Commission's ("SEC") rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to reasonably ensure that information required to be disclosed by the Company in the reports filed under the Securities Exchange Act is accumulated and communicated to management, including the principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

As required by SEC rules, the Company has evaluated the effectiveness of the design and operation of its disclosure controls and procedures as of August 31, 2009. This evaluation was carried out under the supervision and with the participation of management, including the principal executive officer and principal financial officer. Based on this evaluation, these officers have concluded that the design and operation of the Company's disclosure controls and procedures are effective at a reasonable assurance level. However, because all disclosure procedures must rely to a significant degree on actions or decisions made by employees throughout the organization, such as reporting of material events, the Company and its reporting officers believe that they cannot provide absolute assurance that all control issues and instances of fraud or errors and omissions, if any, within the Company will be detected. Limitations within any control system, including the Company's control system, include faulty judgments in decision-making or simple errors or mistakes. In addition, controls can be circumvented by an individual, by collusion between two or more people, or by management override of the control. Because of these limitations, misstatements due to error or fraud may occur and may not be detected.

Management's annual report on the Company's internal control over financial reporting and the independent registered public accounting firm's attestation report are included in the Company's 2009 Financial Statements in Item 8 of this Annual Report on Form 10-K, under the headings, "Management's Report on Internal Control over Financial Reporting" and "Report of Independent Registered Public Accounting Firm on Internal Control Over Financial Reporting", respectively, and are incorporated herein by reference.

There have been no changes in the Company's internal control over financial reporting that occurred during the Company's most recent completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

CEO and CFO Certifications

The Company's Chief Executive Officer as well as the Chief Financial Officer have filed with the Securities and Exchange Commission the certifications required by Section 302 of the Sarbanes-Oxley Act of 2002 as Exhibits 31(a) and 31(b) to the Company's Annual Report on Form 10-K for the fiscal year ended August 31, 2009. In addition, on February 9, 2009, the Company's CEO certified to the New York Stock Exchange that he was not aware of any violation by the Company of the NYSE corporate governance listing standards.

Item 9b. ***Other Information***

Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On October 26, 2009, the Compensation Committee of the Board of Directors of the Corporation approved certain amendments to compensatory arrangements with certain executive officers of the Corporation.

Fiscal 2010 Long-Term Incentive Plan

The Compensation Committee adopted plan rules for potential equity awards to be earned by executive officers for performance during fiscal year 2010 under the Corporation's Long-Term Incentive Plan. The plan rules for each executive officer consist of an individual target percentage, stated as a percentage of gross salary, multiplied by a financial performance payout percentage. The financial performance payout percentage for Messrs. Nagel, Reece, and Black is subject to the application of negative discretion by the Committee.

The target award is based on the achievement of a specified target for Adjusted Diluted Earnings per Share, which excludes the impact of: (a) special charges associated with streamlining efforts and asset impairments; (b) capital market pre-financing and/or early pay-off of the $200 million public notes due in 2010; (c) the adoption of the Financial Accounting Standards Board Staff Position No. EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*; and (d) the distortive effect of acquisitions. The actual award earned increases above target or decreases below target based on the level of achievement of the specified target for Adjusted Diluted Earnings per Share, with no award earned if financial performance is below a specified threshold level. Achievement of the performance level is determined by the Compensation Committee following the completion of the fiscal year, subject to the application of negative discretion by the Committee for the executives noted above. Awards are granted following completion of the fiscal year.

The individual target percentage and the financial performance payout target percentage for the named executive officers in the proxy statement for the annual meeting to be held on January 8, 2010 are as follows:

	Individual Target %	Financial Performance Payout Target %
Vernon J. Nagel	300%	200%
Richard K. Reece	150%	200%
Mark A. Black	135%	200%
Jeremy M. Quick	90%	100%
C. Dan Smith	60%	100%

Fiscal 2010 Annual Incentive Plan

The Compensation Committee adopted plan rules for potential cash bonuses to be earned by executive officers for fiscal year 2010 under the Corporation's Management Compensation and Incentive Plan. The plan rules for each executive officer consists of an individual target percentage, stated as a percentage of gross salary, multiplied by a financial performance payout percentage. The target bonus is based on achievement of specified financial performance measures and the actual bonus earned increases above target or decreases below target based on the level of achievement of the financial performance measures, with no bonus payable if financial performance is below a specified threshold level. Achievement of performance levels is determined by the Compensation Committee following the completion of the fiscal year.

The performance measures consist of specified targets for:

<u>Executive Officers of Acuity Brands, Inc.</u>

- Adjusted Diluted Earnings per Share, computed by dividing net income by diluted weighted average number of shares and adjusted to exclude the impact of: (a) special charges associated with streamlining efforts and asset impairments, if any; (b) capital market pre-financing and/or early pay-off of the $200 million public notes due in 2010; (c) the adoption of the Financial Accounting Standards Board Staff Position No. EITF 03-6-1, *Determining Whether Instruments Granted in Share-Based Payment Transactions Are Participating Securities*; and (d) the distortive effect of acquisitions;

- Adjusted Consolidated Operating Profit Margin, calculated as earnings before interest and taxes divided by net sales and adjusted to exclude the impact of special charges associated with streamlining efforts and asset impairments and the distortive effect of acquisitions; and
- Cash Flow, calculated as cash flow from operations, less capital expenditures, plus cash received on sale of property of business, plus or minus cash flow from foreign currency fluctuations, and excluding cash used for acquisitions.

Executive Officers of Acuity Brands Lighting, Inc.

- Business Unit Operating Profit, excluding the impact of special charges associated with streamlining efforts and asset impairments and the distortive effect of acquisitions, if any;
- Business Unit Operating Profit Margin, calculated as operating profit (as defined above) divided by net sales; and
- Business Unit Cash Flow, calculated as cash flow from operations, less capital expenditures, plus cash received on sale of property of business, plus or minus cash flow from foreign currency fluctuations, and excluding cash used for acquisitions.

The bonus award for Messrs. Nagel, Reece, and Black is subject to the application of negative discretion by the Committee. The individual target percentage and the financial performance payout target percentage for the named executive officers in the proxy statement for the annual meeting to be held on January 8, 2010 are as follows:

	Individual Target %	Financial Performance Payout Target %
Vernon J. Nagel	150%	200%
Richard K. Reece	65%	200%
Mark A. Black	65%	200%
Jeremy M. Quick	55%	100%
C. Dan Smith	40%	100%

Supplemental Executive Retirement Plan

The Compensation Committee approved the eligibility of Mark A. Black, Executive Vice President of Acuity Brands Lighting, Inc., as a participant in the Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan ("Plan") effective October 26, 2009. As a Plan participant, Mr. Black is eligible for a monthly benefit payable for 180 months only, commencing on the his normal retirement date in an amount equal to the product of 1.8% of his average annual compensation, as defined in the Plan, multiplied by his years of credited service up to a maximum of 10 years, divided by 12. The maximum number of years of credited service that Mr. Black can accrue under the Plan is 10 years, provided that compensation earned after he has completed 10 years of credited service shall be counted for purposes of determining his Plan benefit, if counting such compensation would increase his Plan benefit. Mr. Black's compensation for periods prior to his participation date in the Plan shall count for purposes of calculating his Plan benefit and that his service with the Corporation since September 1, 2006 shall be deemed credited service for purposes of calculating his Plan benefit.

Severance Agreements

The Compensation Committee approved amendments to the Severance Agreements for executive officers of the Corporation. The amendments were made to comply with certain interpretations of Section 162(m) of the Internal Revenue Code and to eliminate the application of negative discretion for

Messrs. Nagel, Reece, and Black. The amendments eliminate the reference to the payment of an annual cash bonus at target and are replaced by the payment of a cash amount equal to the executive's gross salary multiplied by a specified percentage. In addition, for Messrs. Nagel, Reece, and Black, the amendments reduce the potential payout for the annual incentive bonus by 50% and eliminate the application of negative discretion by the Compensation Committee in determining such amounts. The amendments to the Severance Agreements are attached to this Form 10-K as Exhibits 10(iii)(A)(78) through 10(iii)A(82) and are incorporated herein by reference.

PART III

Item 10. *Directors and Executive Officers of the Registrant*

The information required by this item, with respect to directors, is included under the captions *Director Nominees for Terms Expiring at the 2012 Annual Meeting* and *Directors with Terms Expiring at the 2010 or 2011 Annual Meetings* of the Company's proxy statement for the annual meeting of stockholders to be held January 8, 2010, to be filed with the Commission pursuant to Regulation 14A, and is incorporated herein by reference.

The information required by this item, with respect to executive officers, is included under the caption *Executive Officers* of the Company's proxy statement for the annual meeting of stockholders to be held January 8, 2010, to be filed with the Commission pursuant to Regulation 14A, and is incorporated herein by reference.

The information required by this item, with respect to beneficial ownership reporting, is included under the caption *Section 16(a) Beneficial Ownership Reporting Compliance* of the Company's proxy statement for the annual meeting of stockholders to be held January 8, 2010, to be filed with the Commission pursuant to Regulation 14A, and is incorporated herein by reference.

Item 11. *Executive Compensation*

The information required by this item is included under the captions *Compensation of Directors, Information Concerning the Board and Its Committees, Compensation Committee Interlocks and Insider Participation, Report of the Compensation Committee, Compensation Discussion and Analysis, Fiscal 2009 Summary Compensation Table, Fiscal 2009 Grants of Plan-Based Awards, Outstanding Equity Awards at Fiscal 2009 Year-End, Option Exercises and Stock Vested in Fiscal 2009, Pension Benefits in Fiscal 2009, Fiscal 2009 Nonqualified Deferred Compensation, Employment Arrangements, Potential Payments upon Termination, and Equity Compensation Plans* of the Company's proxy statement for the annual meeting of stockholders to be held January 8, 2010, to be filed with the Commission pursuant to Regulation 14A, and is incorporated herein by reference.

Item 12. *Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters*

The information required by this item is included under the captions *Beneficial Ownership of the Company's Securities* and *Equity Compensation Plans* of the Company's proxy statement for the annual meeting of stockholders to be held January 8, 2010, to be filed with the Commission pursuant to Regulation 14A, and is incorporated herein by reference.

Item 13. *Certain Relationships and Related Transactions, and Director Independence*

The information required by this item is included under the caption *Certain Relationships and Related Party Transactions* of the Company's proxy statement for the annual meeting of stockholders to be held January 8, 2010, to be filed with the Commission pursuant to Regulation 14A, and is incorporated herein by reference.

Item 14. *Principal Accountant Fees and Services*

The information required by this item is included under the caption *Fees Billed by Independent Registered Public Accounting Firm* of the Company's proxy statement for the annual meeting of stockholders to be held January 8, 2010, to be filed with the Commission pursuant to Regulation 14A, and is incorporated herein by reference.

PART IV

Item 15. ***Exhibits and Financial Statement Schedules***

(a) The following documents are filed as a part of this report:

(1) Management's Report on Internal Control over Financial Reporting

Reports of Independent Registered Public Accounting Firm

Consolidated Balance Sheets as of August 31, 2009 and 2008

Consolidated Statements of Income for the years ended August 31, 2009, 2008, and 2007

Consolidated Statements of Cash Flows for the years ended August 31, 2009, 2008, and 2007

Consolidated Statements of Stockholders' Equity and Comprehensive Income for the years ended August 31, 2009, 2008, and 2007

Notes to Consolidated Financial Statements

(2) Financial Statement Schedules:

Schedule II Valuation and Qualifying Accounts

Any of Schedules I through V not listed above have been omitted because they are not applicable or the required information is included in the consolidated financial statements or notes thereto.

(3) Exhibits filed with this report (begins on next page):

Copies of exhibits will be furnished to stockholders upon request at a nominal fee. Requests should be sent to Acuity Brands, Inc., Investor Relations Department, 1170 Peachtree Street, N.E., Suite 2400, Atlanta, Georgia 30309-7676.

INDEX TO EXHIBITS

EXHIBIT 2	(a)	Agreement and Plan of Merger among Acuity Brands, Inc., Acuity Merger Sub, Inc. and Acuity Brands Holdings, Inc., dated September 25, 2007.	Reference is made to Exhibit 10.1 of registrant's Form 8-K as filed with the Commission on September 26, 2007, which is incorporated herein by reference.
	(b)	Agreement and Plan of Distribution by and between Acuity Brands, Inc. and Zep Inc., dated as of October 31, 2007.	Reference is made to Exhibit 2.1 of registrant's Form 8-K as filed with the Commission on November 6, 2007, which is incorporated herein by reference.
	(c)	Stock Purchase Agreement dated March 18, 2009 by and between Acuity Brands, Inc., Acuity Brands Lighting, Inc., Sensor Switch, Inc., and Brian Platner.	Reference is made to Exhibit 2.1 of registrant's Form 8-K as filed with the Commission on March 18, 2009, which is incorporated herein by reference.
EXHIBIT 3	(a)	Restated Certificate of Incorporation of Acuity Brands, Inc. (formerly Acuity Brands Holdings, Inc.), dated as of September 26, 2007	Reference is made to Exhibit 3.1 of registrant's Form 8-K as filed with the Commission on September 26, 2007, which is incorporated herein by reference.
	(b)	Certificate of Amendment of Acuity Brands, Inc. (formerly Acuity Brands Holdings, Inc.), dated as of September 26, 2007	Reference is made to Exhibit 3.2 of registrant's Form 8-K as filed with the Commission on September 26, 2007, which is incorporated herein by reference.
	(c)	Amended and Restated Bylaws of Acuity Brands, Inc., (formerly Acuity Brands Holdings, Inc.) dated as of January 8, 2009.	Reference is made to Exhibit 3.1 of registrant's Form 8-K as filed with the Commission on October 7, 2008, which is incorporated herein by reference.
EXHIBIT 4	(a)	Form of Certificate representing Acuity Brands, Inc. Common Stock.	Reference is made to Exhibit 4.1 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
	(b)	Stockholder Protection Rights Agreement between Acuity Brands, Inc. (formerly Acuity Brands Holdings, Inc.) and The Bank of New York, dated as of September 25, 2007.	Reference is made to Exhibit 4.2 of registrant's Form 8-K as filed with the Commission on September 26, 2007, which is incorporated herein by reference.
	(c)	Letter Agreement appointing Successor Rights Agent.	Reference is made to Exhibit 4(c) of registrant's Form 10-Q as filed with the Commission on July 14, 2003, which is incorporated herein by reference.
	(d)	First Supplemental Indenture, dated as of October 23, 2001, to Indenture dated January 26, 1999, between National Service Industries, Inc., L&C Spinco, Inc.*, L&C Lighting Group, Inc., The Zep Group, Inc. and SunTrust Bank.	Reference is made to Exhibit 10.10 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
	(e)	Indenture dated as of January 26, 1999.	Reference is made to Exhibit 10.11 to Amendment No. 2 to the Registration Statement on Form 10, filed by L&C Spinco, Inc.* on September 6, 2001, which is incorporated herein by reference.
	(f)	Form of 8.375% Note due August 1, 2010.	Reference is made to Exhibit 10.13 to Amendment No. 2 to the Registration Statement on Form 10, filed by L&C Spinco, Inc.* on September 6, 2001, which is incorporated herein by reference.

	(g)	Second Supplemental Indenture between Acuity Brands, Inc., Old ABI, Inc. and The Bank of New York Trust Company, N.A., dated as of September 26, 2007.	Reference is made to Exhibit 4.1 of registrant's Form 8-K as filed with the Commission on September 26, 2007, which is incorporated herein by reference.
EXHIBIT 10(i)	(1)	Deed to Secure Debt and Security Agreement, dated as of October 11, 2002.	Reference is made to Exhibit 10(i)A(12) of the registrant's Form 10-K as filed with the Commission on November 12, 2002, which is incorporated by reference.
	(2)	Promissory Note, dated as of October 11, 2002.	Reference is made to Exhibit 10(i)A(13) of the registrant's Form 10-K as filed with the Commission on November 12, 2002, which is incorporated by reference.
	(3)	Amended and Restated 364-Day Revolving Credit Agreement dated as of April 4, 2003 among Acuity Brands, Inc., the Subsidiary Borrowers from time to time hereto, the Lenders from time to time parties hereto, Bank One, NA, as Administrative Agent, and Wachovia Bank, N.A. as Syndication Agent.	Reference is made to Exhibit 10(i)A(1) of the registrant's Form 10-Q as filed with the Commission on April 14, 2003, which is incorporated by reference.
	(4)	First Modification to Deed to Secure Debt and Security Agreement.	Reference is made to Exhibit 10(i)A(3) of the registrant's Form 10-Q as filed with the Commission on July 14, 2003, which is incorporated by reference.
	(5)	5-Year Revolving Credit Agreement, dated as of April 2, 2004 among Acuity Brands, Inc., the Subsidiary Borrowers from time to time parties thereto, the Lenders from time to time parties thereto, Bank One, NA (Main Office Chicago), Wachovia Bank, N.A. and LaSalle Bank National Association and Key Bank National Association, Banc One Capital Markets, Inc.	Reference is made to Exhibit 10(i)A-1(1) of the registrant's Form 10-Q as filed with the Commission on April 6, 2004, which is incorporated by reference.
	(6)	Tax Disaffiliation Agreement, dated as of October 7, 2005, by and between National Service Industries, Inc. and Acuity Brands, Inc.	Reference is made to Exhibit 10(i)A(17) of the registrant's Form 10-K as filed with the Commission on November 1, 2005, which is incorporated by reference.
	(7)	Amendment to Receivables Facility, dated as of September 29, 2005.	Reference is made to Exhibit 10(i)A(18) of the registrant's Form 10-K as filed with the Commission on November 1, 2005, which is incorporated by reference.
	(8)	Amendment No. 4 to Receivables Facility, dated as of September 28, 2006.	Reference is made to Exhibit 10(i)A(19) of the registrant's Form 10-K as filed with the Commission on November 2, 2006, which is incorporated by reference.
	(9)	5-Year Revolving Credit Agreement, dated as of October 19, 2007 among Acuity Brands, Inc., the Subsidiary Borrowers from time to time parties hereto, the Lenders from time to time parties hereto, JPMorgan Chase Bank, National Association; Wachovia Bank, National Association; Bank of America, N.A.; Keybank National Association; Wells Fargo Bank, N.A.; and Branch Banking and Trust Company.	Reference is made to Exhibit 10(i)A(17) of the registrant's Form 10-K as filed with the Commission on October 30, 2007, which is incorporated herein by reference.

	(10) Amended and Restated Credit and Security Agreement dated as of October 19, 2007 among Acuity Unlimited Inc., as Borrower; Acuity Brands Lighting, Inc., as Servicer; Variable Funding Capital Company, the Liquidity Banks from time to time party hereto; and Wachovia Bank National Association, as Agent.	Reference is made to Exhibit 10(i)A(18) of the registrant's Form 10-K as filed with the Commission on October 30, 2007, which is incorporated herein by reference.
	(11) Tax Disaffiliation Agreement between Acuity Brands, Inc. and Zep Inc., dated as of October 31, 2007.	Reference is made to Exhibit 10.1 of the registrant's Form 8-K as filed with the Commission on November 6, 2007, which is incorporated herein by reference.
EXHIBIT 10(iii)A	Management Contracts and Compensatory Arrangements:	
	(1) Acuity Brands, Inc. 2001 Nonemployee Directors' Stock Option Plan.	Reference is made to Exhibit 10.6 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
	(2) Amendment No. 1 to Acuity Brands, Inc. Nonemployee Directors' Stock Option Plan, dated December 20, 2001.	Reference is made to Exhibit 10(iii)A(3) of registrant's Form 10-Q as filed with the Commission on January 14, 2002, which is incorporated herein by reference.
	(3) Form of Indemnification Agreement.	Reference is made to Exhibit 10.7 to the Registration Statement on Form 10, filed by L&C Spinco, Inc.* with the Commission on July 3, 2001, which is incorporated herein by reference.
	(4) Form of Severance Agreement.	Reference is made to Exhibit 10 of registrant's Form 8-K as filed with the Commission on January 6, 2009, which is incorporated herein by reference.
	(5) Acuity Brands, Inc. Supplemental Deferred Savings Plan.	Reference is made to Exhibit 10.14 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
	(6) Acuity Brands, Inc. Executives' Deferred Compensation Plan.	Reference is made to Exhibit 10.15 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
	(7) Acuity Brands, Inc. Senior Management Benefit Plan.	Reference is made to Exhibit 10.16 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
	(8) Acuity Brands, Inc. Executive Benefits Trust.	Reference is made to Exhibit 10.18 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
	(9) Acuity Brands, Inc. Supplemental Retirement Plan for Executives.	Reference is made to Exhibit 10.19 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
	(10) Acuity Brands, Inc. Benefits Protection Trust.	Reference is made to Exhibit 10.21 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.

[Table of Contents](#)

[Index to Financial Statements](#)

(11) Employment Letter between National Service Industries, Inc. and Vernon J. Nagel, dated as of October 30, 2001.	Reference is made to Exhibit 10(iii)A(20) of the Form 10-Q of National Service Industries, Inc. for the quarter ended January 14, 2002, which is incorporated herein by reference.
(12) Form of Acuity Brands, Inc., Letter regarding Bonuses.	Reference is made to Exhibit 10.25 of registrant's Form 8-K as filed with the Commission on December 14, 2001, which is incorporated herein by reference.
(13) Amended Acuity Brands, Inc. Management Compensation and Incentive Plan.	Reference is made to Exhibit A of registrant's proxy statement for the Annual Meeting of Stockholders as filed with the Commission on November 12, 2002, which is incorporated herein by reference.
(14) Amendment No. 1 to Acuity Brands, Inc. Supplemental Deferred Savings Plan.	Reference is made to Exhibit 10(iii)A(2) of registrant's Form 10-Q as filed with the Commission on January 14, 2003, which is incorporated by reference.
(15) Amendment No. 1 to Acuity Brands, Inc. Executives' Deferred Compensation Plan.	Reference is made to Exhibit 10(iii)A(3) of the registrant's Form 10-Q as filed with the Commission on January 14, 2003, which is incorporated by reference.
(16) Amendment No. 1 to Acuity Brands, Inc. Supplemental Retirement Plan for Executives.	Reference is made to Exhibit 10(iii)A(2) of the registrant's Form 10-Q as filed with the Commission on April 14, 2003, which is incorporated by reference.
(17) Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan.	Reference is made to Exhibit 10(iii)A(3)of the registrant's Form 10-Q as filed with the Commission on April 14, 2003, which is incorporated by reference.
(18) Letter Agreement relating to Supplemental Executive Retirement Plan between Acuity Brands, Inc. and Vernon J. Nagel.	Reference is made to Exhibit 10(iii)A(4) of the registrant's Form 10-Q as filed with the Commission on July 14, 2003, which is incorporated by reference.
(19) Amendment No. 2 to Acuity Brands, Inc. Supplemental Deferred Savings Plan.	Reference is made to Exhibit 10(iii)A(8) of the registrant's Form 10-Q as filed with the Commission on July 14, 2003, which is incorporated by reference.
(20) Form of Severance Agreement.	Reference is made to Exhibit 10(iii)A(32) of the registrant's Form 10-K as filed with the Commission on October 31, 2003, which is incorporated by reference.
(21) Amended and Restated Acuity Brands, Inc. Long-Term Incentive Plan.	Reference is made to Exhibit A of registrant's proxy statement for the Annual Meeting of Stockholders as filed with the Commission on November 7, 2003, which is incorporated herein by reference.
(22) Employment Letter between Acuity Brands, Inc. and Vernon J. Nagel, dated June 29, 2004.	Reference is made to Exhibit 10(III)A(1) of the registrant's Form 10-Q as filed with the Commission on July 6, 2004, which is incorporated by reference.
(23) Amended and Restated Severance Agreement, entered into as of January 20, 2004, by and between Acuity Brands, Inc. and Vernon J. Nagel.	Reference is made to Exhibit 10(III)A(2) of the registrant's Form 10-Q as filed with the Commission on July 6, 2004, which is incorporated by reference.

(24) Amendment No. 3 to Acuity Brands, Inc. Supplemental Deferred Savings Plan.	Reference is made to Exhibit 10(iii)A(36) of the registrant's Form 10-K as filed with the Commission on October 29, 2004, which is incorporated by reference.
(25) Acuity Brands, Inc. Management Compensation and Incentive Plan Fiscal Year 2005 Plan Rules for Executive Officers.	Reference is made to Exhibit 10(III)A(2) of the registrant's Form 10-Q as filed with the Commission on January 6, 2005, which is incorporated by reference.
(26) Form of Incentive Stock Option Agreement for Executive Officers.	Reference is made to Exhibit 10(III)A(3) of the registrant's Form 10-Q filed with the Commission on January 6, 2005 incorporated by reference.
(27) Form of Nonqualified Stock Option Agreement for Executive Officers.	Reference is made to Exhibit 10(III)A(4) of the registrant's Form 10-Q as filed with the Commission on January 6, 2005, which is incorporated by reference.
(28) Premium-Priced Nonqualified Stock Option Agreement for Executive Officers between Acuity Brands, Inc. and Vernon J. Nagel.	Reference is made to Exhibit 10(III)A(5) of the registrant's Form 10-Q as filed with the Commission on January 6, 2005, which is incorporated by reference.
(29) Form of Restricted Stock Award Agreement for Executive Officers.	Reference is made to Exhibit 10(III)A(6) of the registrant's Form 10-Q as filed with the Commission on January 6, 2005, which is incorporated by reference.
(30) Acuity Brands, Inc. Long-Term Incentive Plan Fiscal Year 2005 Plan Rules for Executive Officers.	Reference is made to Exhibit 10(III)A(7) of the registrant's Form 10-Q as filed with the Commission on January 6, 2005, which is incorporated by reference.
(31) Acuity Brands, Inc. Matching Gift Program.	Reference is made to Exhibit 10(III)A(1) of the registrant's Form 10-Q as filed with the Commission on April 4, 2005, which is incorporated by reference.
(32) Acuity Brands, Inc. Long-Term Incentive Plan Fiscal Year 2006 Plan Rules for Executive Officers.	Reference is made to Exhibit 10(iii)A(47) of registrant's Form 10-K as filed with the Commission on November 1, 2005, which is incorporated by reference.
(33) Acuity Brands, Inc. Management Compensation and Incentive Plan Fiscal Year 2006 Plan Rules for Executive Officers.	Reference is made to Exhibit 10(iii)A(48) of registrant's Form 10-K as filed with the Commission on November 1, 2005, which is incorporated by reference.
(34) Employment Letter dated November 16, 2005 between Acuity Brands, Inc. and Richard K. Reece.	Reference is made to Exhibit 10.1 of registrant's Form 8-K filed with the Commission on November 18, 2005, which is incorporated herein by reference.
(35) Form of Nonqualified Stock Option Agreement for Executive Officers.	Reference is made to Exhibit 99.1 of registrant's Form 8-K filed with the Commission on December 2, 2005, which is incorporated herein by reference.
(36) Form of Acuity Brands, Inc. Long-Term Incentive Plan Restricted Stock Award.	Reference is made to Exhibit 99.2 of registrant's Form 8-K filed with the Commission on December 2, 2005, which is incorporated herein by reference.

(37) Form of Severance Agreement.	Reference is made to Exhibit 99.2 of registrant's Form 8-K filed with the Commission on April 27, 2006, which is incorporated herein by reference.
(38) Amendment dated April 21, 2006 to the Amended and Restated Severance Agreement between Acuity Brands, Inc. and Vernon J. Nagle.	Reference is made to Exhibit 99.3 of registrant's Form 8-K filed with the Commission on April 27, 2006, which is incorporated herein by reference.
(39) Acuity Brands, Inc. Nonemployee Director Deferred Compensation Plan as Amended and Restated Effective June 29, 2006 (formerly known as the "Nonemployee Director Deferred Stock Unit Plan").	Reference is made to Exhibit 99.1 of registrant's Form 8-K filed with the Commission on July 6, 2006, which is incorporated herein by reference.
(40) Amendment No. 4 to Acuity Brands, Inc. Supplemental Deferred Savings Plan.	Reference is made to Exhibit 99.2 of registrant's Form 8-K filed with the Commission on July 6, 2006, which is incorporated herein by reference.
(41) Long-Term Incentive Plan Rules for Executive Officers for Fiscal Year 2007.	Reference is made to Exhibit 99.1 of registrant's Form 8-K filed with the Commission on August 29, 2006, which is incorporated herein by reference.
(42) Management Compensation and Incentive Plan for Executive Officers for Fiscal Year 2007.	Reference is made to Exhibit 99.2 of registrant's Form 8-K filed with the Commission on August 29, 2006, which is incorporated herein by reference.
(43) 2005 Supplemental Deferred Savings Plan.	Reference is made to Exhibit 10.1 of registrant's Form 8-K filed with the Commission on October 5, 2006, which is incorporated herein by reference.
(44) Amendment No. 1 to Stock Option Agreement for Nonemployee Director dated October 25, 2006.	Reference is made to Exhibit 99.1 of registrant's Form 8-K filed with the Commission on October 27, 2006, which is incorporated herein by reference.
(45) Acuity Brands, Inc. 2002 Executives' Deferred Compensation Plan as Amended on December 30, 2002 and as Amended and Restated January 1, 2005.	Reference is made to Exhibit 10(iii)A(61) of the registrant's Form 10-K as filed with the Commission on November 2, 2006, which is incorporated by reference.
(46) Amendment No. 1 to Acuity Brands, Inc. Long-Term Incentive Plan dated September 29, 2006.	Reference is made to Exhibit 10(iii)A(62) of the registrant's Form 10-K as filed with the Commission on November 2, 2006, which is incorporated by reference.
(47) Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan as Amended and Restated Effective January 1, 2005.	Reference is made to Exhibit 10(iii)A(63) of the registrant's Form 10-K as filed with the Commission on November 2, 2006, which is incorporated by reference.
(48) Form of Amended and Restated Change in Control Agreement.	Reference is made to Exhibit 99.1 of registrant's Form 8-K filed with the Commission on April 27, 2006, which is incorporated herein by reference.
(49) Amendment No. 1 to Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan.	Reference is made to Exhibit 99.1 of registrant's Form 8-K as filed with the Commission on June 29, 2007, which is incorporated herein by reference.
(50) Amendment No. 1 to Acuity Brands, Inc. 2005 Supplemental Deferred Savings Plan.	Reference is made to Exhibit 99.2 of registrant's Form 8-K as filed with the Commission on June 29, 2007, which is incorporated herein by reference.

(51) Confidentiality and Restrictive Covenants Agreement with John K. Morgan.	Reference is made to Exhibit 10(iii)A(72) of the registrant's Form 10-K as filed with the Commission on October 30, 2007, which is incorporated herein by reference.
(52) Amendment No. 3 to Acuity Brands, Inc. 2001 Nonemployee Directors' Stock Option Plans.	Reference is made to Exhibit 10(iii)A(3) of registrant's Form 10-Q as filed with the Commission on July 10, 2007, which is incorporated herein by reference.
(53) Amendment No. 2 to Acuity Brands, Inc. Long-Term Incentive Plan.	Reference is made to Exhibit 10(iii)A(4) of registrant's Form 10-Q as filed with the Commission on July 10, 2007, which is incorporated herein by reference.
(54) Amendment No. 1 to Acuity Brands, Inc. Senior Benefit Plan.	Reference is made to Exhibit 10(iii)A(5) of registrant's Form 10-Q as filed with the Commission on July 10, 2007, which is incorporated herein by reference.
(55) Amendment No. 5 to Acuity Brands, Inc. Supplemental Deferred Savings Plan.	Reference is made to Exhibit 10(iii)A(6) of registrant's Form 10-Q as filed with the Commission on July 10, 2007, which is incorporated herein by reference.
(56) Amendment No. 2 to Acuity Brands, Inc. Amended and Restated Severance Agreement.	Reference is made to Exhibit 10(iii)A(2) of registrant's Form 10-Q as filed with the Commission on January 4, 2007, which is incorporated herein by reference.
(57) Amendment No. 2 to Acuity Brands, Inc. 2001 Non-employee Directors' Stock Option Plan.	Reference is made to Exhibit 10(iii)A(2) of registrant's Form 10-Q as filed with the Commission on April 4, 2007, which is incorporated herein by reference.
(58) Amendment No. 1 to Nonemployee Director Stock Option Plan.	Reference is made to Exhibit 99.1 of registrant's Form 8-K as filed with the Commission on October 27, 2006, which is incorporated herein by reference.
(59) Acuity Brands, Inc. Long-Term Incentive Plan.	Reference is made to Exhibit A of the registrant's Proxy Statement as filed with the Commission on November 16, 2007, which is incorporated herein by reference.
(60) Acuity Brands, Inc. Management Compensation and Incentive Plan.	Reference is made to Exhibit B of the registrant's Proxy Statement as filed with the Commission on November 16, 2007, which is incorporated herein by reference.
(61) Acuity Brands, Inc. Long-Term Incentive Plan Fiscal Year 2008 Plan Rules for Executive Officers.	Reference is made to Exhibit 99.1 of the registrant's Form 8-K as filed with the Commission on January 4, 2008, which is incorporated herein by reference.
(62) Acuity Brands, Inc. Management Compensation and Incentive Plan Fiscal Year 2008 Plan Rules for Executive Officers.	Reference is made to Exhibit 99.2 of the registrant's Form 8-K as filed with the Commission on January 4, 2008, which is incorporated herein by reference.
(63) Amendment No. 2 to Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan.	Reference is made to Exhibit 10(iii)A(1) of the registrant's Form 10-Q as filed with the Commission on January 8, 2008, which is incorporated herein by reference.

(64) Form of Indemnification Agreement.	Reference is made to Exhibit 10.1 of the registrant's Form 8-K as filed with the Commission on January 16, 2008, which is incorporated herein by reference.
(65) Amendment No. 2 to Acuity Brands, Inc. Nonemployee Director Deferred Compensation Plan.	Reference is made to Exhibit 10(iii)A(86) of the registrant's Form 10-K as filed with the Commission on October 27, 2008, which is incorporated herein by reference.
(66) Amendment No. 2 to Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan.	Reference is made to Exhibit 10(iii)A(87) of the registrant's Form 10-K as filed with the Commission on October 27, 2008, which is incorporated herein by reference.
(67) Amendment No. 3 to Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan.	Reference is made to Exhibit 10(iii)A(88) of the registrant's Form 10-K as filed with the Commission on October 27, 2008, which is incorporated herein by reference.
(68) Amendment No. 3 to Acuity Brands, Inc. 2005 Supplemental Deferred Savings Plan.	Reference is made to Exhibit 10(iii)A(89) of the registrant's Form 10-K as filed with the Commission on October 27, 2008, which is incorporated herein by reference.
(69) Amendment No. 4 to Acuity Brands, Inc. 2005 Supplemental Deferred Savings Plan.	Reference is made to Exhibit 10(iii)A(90) of the registrant's Form 10-K as filed with the Commission on October 27, 2008, which is incorporated herein by reference.
(70) Amendment No. 1 to Amended and Restated Change in Control Agreement with John T. Hartman.	Reference is made to Exhibit 10(iii)A(91) of the registrant's Form 10-K as filed with the Commission on October 27, 2008, which is incorporated herein by reference.
(71) Amendment No. 1 to Amended and Restated Change in Control Agreement with Jeremy M. Quick.	Reference is made to Exhibit 10(iii)A(92) of the registrant's Form 10-K as filed with the Commission on October 27, 2008, which is incorporated herein by reference.
(72) Form of Restricted Stock Award Agreement.	Reference is made to Exhibit 10(h) of registrant's Form 10-Q as filed with the Commission on April 8, 2009, which is incorporated herein by reference.
(73) Form of Nonqualified Stock Option Agreement for Key Employees effective October 24, 2008.	Reference is made to Exhibit 10(i) of registrant's Form 10-Q as filed with the Commission on April 8, 2009, which is incorporated herein by reference.
(74) Form of Nonqualified Stock Option Agreement for Executive Officers of Acuity Brands, Inc. effective October 24, 2008.	Reference is made to Exhibit 10(j) of registrant's Form 10-Q as filed with the Commission on April 8, 2009, which is incorporated herein by reference.
(75) Employment Letter dated April 29, 2004 between Acuity Brands Lighting, Inc. and John T. Hartman.	Reference is made to Exhibit 10(d) of registrant's Form 10-Q as filed with the Commission on April 8, 2009, which is incorporated herein by reference.
(76) Employment Letter dated October 29, 2004 between Acuity Brands Lighting, Inc. and Jeremy M. Quick.	Reference is made to Exhibit 10(e) of registrant's Form 10-Q as filed with the Commission on April 8, 2009, which is incorporated herein by reference.

	(77)	Employment Letter dated July 27, 2006 between Acuity Brands, Inc. and Mark A. Black.	Reference is made to Exhibit 10(f) of registrant's Form 10-Q as filed with the Commission on April 8, 2009, which is incorporated herein by reference.
	(78)	Amendment No. 3 to Acuity Brands, Inc. Amended and Restated Severance Agreement, between Acuity Brands, Inc. and Vernon J. Nagel.	Filed with the Commission as part of this Form 10-K.
	(79)	Amendment No. 1 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Mark A. Black.	Filed with the Commission as part of this Form 10-K.
	(80)	Amendment No. 1 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Jeremy M. Quick	Filed with the Commission as part of this Form 10-K.
	(81)	Amendment No. 1 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and Richard K. Reece.	Filed with the Commission as part of this Form 10-K.
	(82)	Amendment No. 1 to Acuity Brands, Inc. Amended and Restated Severance Agreement between Acuity Brands, Inc. and C. Dan Smith.	Filed with the Commission as part of this Form 10-K.
	(83)	Form of Severance Agreement.	Filed with the Commission as part of this Form 10-K.
	(84)	Amended and Restated Change in Control Agreement.	Filed with the Commission as part of this Form 10-K.
EXHIBIT 14		Code of Ethics and Business Conduct.	Reference is made to Exhibit 14 of registrant's Form 8-K as filed with the Commission on January 12, 2005, which is incorporated herein by reference.
EXHIBIT 21		List of Subsidiaries.	Filed with the Commission as part of this Form 10-K.
EXHIBIT 23		Consent of Independent Registered Public Accounting Firm.	Filed with the Commission as part of this Form 10-K.
EXHIBIT 24		Powers of Attorney.	Filed with the Commission as part of this Form 10-K.
EXHIBIT 31	(a)	Rule 13a-14(a)/15d-14(a) Certification, signed by Vernon J. Nagel.	Filed with the Commission as part of this Form 10-K.
	(b)	Rule 13a-14(a)/15d-14(a) Certification, signed by Richard K. Reece.	Filed with the Commission as part of this Form 10-K.
EXHIBIT 32	(a)	Section 1350 Certification, signed by Vernon J. Nagel.	Filed with the Commission as part of this Form 10-K.
	(b)	Section 1350 Certification, signed by Richard K. Reece.	Filed with the Commission as part of this Form 10-K.

* Acuity Brands, Inc. operated under the name L&C Spinco, Inc. from July 27, 2001 — November 9, 2001.

[Table of Contents](#)

[Index to Financial Statements](#)

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ACUITY BRANDS, INC.

Date: October 29, 2009

By: /s/ VERNON J. NAGEL
Vernon J. Nagel
Chairman, President, and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ VERNON J. NAGEL **Vernon J. Nagel**	Chairman, President, and Chief Executive Officer	October 29, 2009
/s/ RICHARD K. REECE **Richard K. Reece**	Executive Vice President and Chief Financial Officer (Principle Financial and Accounting Officer)	October 29, 2009
* **Peter C. Browning**	Director	October 29, 2009
* **John L. Clendenin**	Director	October 29, 2009
* **George C. (Jack) Guynn**	Director	October 29, 2009
* **Gordon D. Harnett**	Director	October 29, 2009
* **Robert F. McCullough**	Director	October 29, 2009
* **Julia B. North**	Director	October 29, 2009
* **Ray M. Robinson**	Director	October 29, 2009
* **Neil Williams**	Director	October 29, 2009
*BY: /s/ RICHARD K. REECE **Richard K. Reece**	Attorney-in-Fact	October 29, 2009

Schedule II
Acuity Brands, Inc.

Valuation and Qualifying Accounts
for the Years Ended August 31, 2009, 2008, and 2007
(In thousands)

Historical amounts in the following table have been restated to exclude amounts related to discontinued operations. For additional information, see Note 2 — *Discontinued Operations* of the *Notes to Consolidated Financial Statements* included in Item 8 of this filing.

	Balance at Beginning of Year	Additions and Reductions Charged to		Deductions	Balance at End of Year
		Costs and Expenses	Other Accounts[1]		
Year Ended August 31, 2009:					
Reserve for doubtful accounts	$ 1,640	503	(98)	157	$ 1,888
Reserve for estimated warranty and recall costs	$ 4,888	2,783	(47)	4,229	$ 3,395
Reserve for estimated returns and allowances	$ 5,283	45,704	—	46,633	$ 4,354
Self-insurance reserve[2]	$ 12,587	5,637	499	7,001	$ 11,722
Year Ended August 31, 2008:					
Reserve for doubtful accounts	$ 1,361	388	34	143	$ 1,640
Reserve for estimated warranty and recall costs	$ 4,393	7,230	(1,040)	5,695	$ 4,888
Reserve for estimated returns and allowances	$ 7,533	53,545	—	55,795	$ 5,283
Self-insurance reserve[2]	$ 12,628	7,657	—	7,698	$ 12,587
Year Ended August 31, 2007:					
Reserve for doubtful accounts	$ 2,417	(741)	317	632	$ 1,361
Reserve for estimated warranty and recall costs	$ 6,092	3,721	—	5,420	$ 4,393
Reserve for estimated returns and allowances	$ 6,835	56,628	—	55,930	$ 7,533
Self-insurance reserve[2]	$ 11,967	8,160	—	7,499	$ 12,628

(1) Includes recoveries and adjustments credited to the reserve.
(2) Includes reserves for workers' compensation, auto, product, and general liability claims.

AMENDMENT No. 3
TO
ACUITY BRANDS, INC
AMENDED AND RESTATED SEVERANCE AGREEMENT

THIS AMENDMENT made and entered into as of the 28th day of October, 2009, by and between ACUITY BRANDS, INC. (the “Company”) and VERNON J. NAGEL (“Executive”);

W I T N E S S E T H

WHEREAS, the Company and Executive entered into an Amended and Restated Severance Agreement, dated as of January 20, 2004 (“Severance Agreement”), providing for the payment of certain compensation and benefits to Executive if Executive’s employment is terminated under certain circumstances; and

WHEREAS, the parties now desire to amend the Severance Agreement in the manner hereinafter provided;

NOW, THEREFORE, the Severance Agreement is hereby amended, as follows:

1.

Section 4.2 is hereby amended by deleting the present section in its entirety and substituting the following in lieu thereof:

“4.2 Annual Bonus. Executive shall be paid an amount equal to the greater of (i) 150% of employee’s gross salary, multiplied by a fraction (the “Pro Rata Fraction”), the numerator of which is the number of days that have elapsed in the then current fiscal year through Executive’s Date of Termination and the denominator of which is 365, or (ii) the annual incentive bonus that would be paid or payable to Executive under the Incentive Plan based upon the Company’s actual performance for such fiscal year, assuming 50% of the Company financial performance payout percentage for named executive officers that are subject to the application of negative discretion, multiplied by the Pro Rata Fraction. The bonus amount determined pursuant to Section 4.2(i) shall be paid to Executive within ten (10) days of Executive’s Date of Termination and any additional amount payable pursuant to Section 4.2(ii) shall be payable at the same time as bonuses are payable to other executives under the Incentive Plan. “Incentive Plan” shall mean the Acuity Brands, Inc. Management Compensation and Incentive Plan for the fiscal year in which the Executive’s Termination of Employment occurs. Terms used in this Section 4.2 shall have the meaning ascribed them in the Incentive Plan.

2.

This Amendment to the Severance Agreement shall be effective as of the date of this Amendment. Except as hereby modified, the Severance Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

EXECUTIVE

/s/ VERNON J. NAGEL
VERNON J. NAGEL

AMENDMENT No. 1
TO
ACUITY BRANDS, INC
AMENDED AND RESTATED SEVERANCE AGREEMENT

THIS AMENDMENT made and entered into as of the 28th day of October, 2009, by and between ACUITY BRANDS, INC. (the "Company") and MARK A. BLACK ("Executive");

W I T N E S S E T H

WHEREAS, the Company and Executive entered into a Severance Agreement, dated as of November 19, 2008 ("Severance Agreement"), providing for the payment of certain compensation and benefits to Executive if Executive's employment is terminated under certain circumstances; and

WHEREAS, the parties now desire to amend the Severance Agreement in the manner hereinafter provided;

NOW, THEREFORE, the Severance Agreement is hereby amended, as follows:

1.

Section 4.2 is hereby amended by deleting the present section in its entirety and substituting the following in lieu thereof:

"4.2 Annual Bonus. Executive shall be paid an amount equal to the greater of (i) 135% of employee's gross salary, multiplied by a fraction (the "Pro Rata Fraction"), the numerator of which is the number of days that have elapsed in the then current fiscal year through Executive's Date of Termination and the denominator of which is 365, or (ii) the annual incentive bonus that would be paid or payable to Executive under the Incentive Plan based upon the Company's actual performance for such fiscal year, assuming 50% of the Company financial performance payout percentage for named executive officers that are subject to the application of negative discretion, multiplied by the Pro Rata Fraction. The bonus amount determined pursuant to Section 4.2(i) shall be paid to Executive within ten (10) days of Executive's Date of Termination and any additional amount payable pursuant to Section 4.2(ii) shall be payable at the same time as bonuses are payable to other executives under the Incentive Plan. "Incentive Plan" shall mean the Acuity Brands, Inc. Management Compensation and Incentive Plan for the fiscal year in which the Executive's Termination of Employment occurs. Terms used in this Section 4.2 shall have the meaning ascribed them in the Incentive Plan. The bonus amount determined pursuant to this section shall be subject to withholding of all applicable taxes. In the event Executive becomes entitled to a bonus under this Section 4.2 and under the Incentive Plan in connection with a change in control (as defined in the Incentive Plan), Executive shall be entitled to receive whichever bonus amount is greater and Executive shall not receive a duplicate bonus for the same fiscal year (or portion of a fiscal year).

Executive shall be paid an amount equal to Executive's accrued but unused vacation (determined in accordance with Company policy) as of his Date of Termination. The amount shall be paid within thirty (30) days after the Executive's Date of Termination (subject to withholding of all applicable taxes).

2.

This Amendment to the Severance Agreement shall be effective as of the date of this Amendment. Except as hereby modified, the Severance Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

EXECUTIVE

/s/ MARK A. BLACK
MARK A. BLACK

AMENDMENT No. 1
TO
ACUITY BRANDS, INC
AMENDED AND RESTATED SEVERANCE AGREEMENT

THIS AMENDMENT made and entered into as of the 28th day of October, 2009, by and between ACUITY BRANDS, INC. (the "Company") and JEREMY M. QUICK ("Executive");

W I T N E S S E T H

WHEREAS, the Company and Executive entered into a Severance Agreement, dated as of November 21, 2008 ("Severance Agreement"), providing for the payment of certain compensation and benefits to Executive if Executive's employment is terminated under certain circumstances; and

WHEREAS, the parties now desire to amend the Severance Agreement in the manner hereinafter provided;

NOW, THEREFORE, the Severance Agreement is hereby amended, as follows:

1.

Section 4.2 is hereby amended by deleting the present section in its entirety and substituting the following in lieu thereof:

"4.2 Annual Bonus. Executive shall be paid an amount equal to the greater of (i) 90% of employee's gross salary, multiplied by a fraction (the "Pro Rata Fraction"), the numerator of which is the number of days that have elapsed in the then current fiscal year through Executive's Date of Termination and the denominator of which is 365, or (ii) the annual incentive bonus that would be paid or payable to Executive under the Incentive Plan based upon the Company's actual performance for such fiscal year, multiplied by the Pro Rata Fraction. The bonus amount determined pursuant to Section 4.2(i) shall be paid to Executive within ten (10) days of Executive's Date of Termination and any additional amount payable pursuant to Section 4.2(ii) shall be payable at the same time as bonuses are payable to other executives under the Incentive Plan. "Incentive Plan" shall mean the Acuity Brands, Inc. Management Compensation and Incentive Plan for the fiscal year in which the Executive's Termination of Employment occurs. Terms used in this Section 4.2 shall have the meaning ascribed them in the Incentive Plan. The bonus amount determined pursuant to this section shall be subject to withholding of all applicable taxes. In the event Executive becomes entitled to a bonus under this Section 4.2 and under the Incentive Plan in connection with a change in control (as defined in the Incentive Plan), Executive shall be entitled to receive whichever bonus amount is greater and Executive shall not receive a duplicate bonus for the same fiscal year (or portion of a fiscal year).

Executive shall be paid an amount equal to Executive's accrued but unused vacation (determined in accordance with Company policy) as of his Date of Termination. The amount shall be paid within thirty (30) days after the Executive's Date of Termination (subject to withholding of all applicable taxes).

2.

This Amendment to the Severance Agreement shall be effective as of the date of this Amendment. Except as hereby modified, the Severance Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

EXECUTIVE

/s/ JEREMY M. QUICK

JEREMY M. QUICK

AMENDMENT No. 1
TO
ACUITY BRANDS, INC
AMENDED AND RESTATED SEVERANCE AGREEMENT

THIS AMENDMENT made and entered into as of the 28th day of October, 2009, by and between ACUITY BRANDS, INC. (the “Company”) and RICHARD K. REECE (“Executive”);

W I T N E S S E T H

WHEREAS, the Company and Executive entered into a Severance Agreement, dated as of April 21, 2006 (“Severance Agreement”), providing for the payment of certain compensation and benefits to Executive if Executive’s employment is terminated under certain circumstances; and

WHEREAS, the parties now desire to amend the Severance Agreement in the manner hereinafter provided;

NOW, THEREFORE, the Severance Agreement is hereby amended, as follows:

1.

Section 4.2 is hereby amended by deleting the present section in its entirety and substituting the following in lieu thereof:

“4.2 Annual Bonus. Executive shall be paid an amount equal to the greater of (i) 150% of employee’s gross salary, multiplied by a fraction (the “Pro Rata Fraction”), the numerator of which is the number of days that have elapsed in the then current fiscal year through Executive’s Date of Termination and the denominator of which is 365, or (ii) the annual incentive bonus that would be paid or payable to Executive under the Incentive Plan based upon the Company’s actual performance for such fiscal year, assuming 50% of the Company financial performance payout percentage for named executive officers that are subject to the application of negative discretion, multiplied by the Pro Rata Fraction. The bonus amount determined pursuant to Section 4.2(i) shall be paid to Executive within ten (10) days of Executive’s Date of Termination and any additional amount payable pursuant to Section 4.2(ii) shall be payable at the same time as bonuses are payable to other executives under the Incentive Plan. “Incentive Plan” shall mean the Acuity Brands, Inc. Management Compensation and Incentive Plan for the fiscal year in which the Executive’s Termination of Employment occurs. Terms used in this Section 4.2 shall have the meaning ascribed them in the Incentive Plan.

2.

This Amendment to the Severance Agreement shall be effective as of the date of this Amendment. Except as hereby modified, the Severance Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

EXECUTIVE

/s/ RICHARD K. REECE
RICHARD K. REECE

AMENDMENT No. 1
TO
ACUITY BRANDS, INC
AMENDED AND RESTATED SEVERANCE AGREEMENT

THIS AMENDMENT made and entered into as of the 28th day of October, 2009, by and between ACUITY BRANDS, INC. (the "Company") and C. DAN SMITH ("Executive");

W I T N E S S E T H

WHEREAS, the Company and Executive entered into a Severance Agreement, dated as of November 21, 2008 ("Severance Agreement"), providing for the payment of certain compensation and benefits to Executive if Executive's employment is terminated under certain circumstances; and

WHEREAS, the parties now desire to amend the Severance Agreement in the manner hereinafter provided;

NOW, THEREFORE, the Severance Agreement is hereby amended, as follows:

1.

Section 4.2 is hereby amended by deleting the present section in its entirety and substituting the following in lieu thereof:

"4.2 Annual Bonus; Accrued Vacation. Executive shall be paid an amount equal to the greater of (i) 60% of employee's gross salary, multiplied by a fraction (the "Pro Rata Fraction"), the numerator of which is the number of days that have elapsed in the then current fiscal year through Executive's Date of Termination and the denominator of which is 365, or (ii) the annual incentive bonus that would be paid or payable to Executive under the Incentive Plan based upon the Company's actual performance for such fiscal year, multiplied by the Pro Rata Fraction. The bonus amount determined pursuant to Section 4.2(i) shall be paid to Executive within thirty (30) days after the Executive's Date of Termination and any additional amount payable pursuant to Section 4.2(ii) shall be payable at the same time as bonuses are payable to other executives under the Incentive Plan. "Incentive Plan" shall mean the Acuity Brands, Inc. Management Compensation and Incentive Plan for the fiscal year in which the Executive's Termination of Employment occurs. Terms used in this Section 4.2 shall have the meaning ascribed them in the Incentive Plan. The bonus amount determined pursuant to this section shall be subject to withholding of all applicable taxes. In the event Executive becomes entitled to a bonus under this Section 4.2 and under the Incentive Plan in connection with a change in control (as defined in the Incentive Plan), Executive shall be entitled to receive whichever bonus amount is greater and Executive shall not receive a duplicate bonus for the same fiscal year (or portion of a fiscal year).

Executive shall be paid an amount equal to Executive's accrued but unused vacation (determined in accordance with Company policy) as of his Date of Termination. The amount shall be paid within thirty (30) days after the Executive's Date of Termination (subject to withholding of all applicable taxes).

2.

This Amendment to the Severance Agreement shall be effective as of the date of this Amendment. Except as hereby modified, the Severance Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties have executed this Amendment as of the day and year first above written.

EXECUTIVE

/s/ C. DAN SMITH

C. DAN SMITH

ACUITY BRANDS, INC.
SEVERANCE AGREEMENT

THIS AGREEMENT (the "Agreement"), made and entered into as of this 19th day of November, 2008, by and between ACUITY BRANDS, INC., a Delaware corporation (the "Company"), and C. Dan Smith ("Executive").

WITNESSETH:

WHEREAS, Executive is a key employee of the Company and an integral part of the Company's management; and

WHEREAS, the Company desires to provide the Executive with certain benefits if the Executive's employment is terminated under certain circumstances; and

WHEREAS, the Company and the Executive have determined it is in their mutual best interests to enter into this Agreement;

NOW, THEREFORE, the parties hereby agree as follows:

1. **TERM OF AGREEMENT**

Unless earlier terminated as hereinafter provided, this Agreement shall commence on the date hereof and shall be for a rolling, two-year term (the "Term") and shall be deemed to extend automatically, without further action by either the Company or Executive, each day for an additional day, such that the remaining term of the Agreement shall continue to be two years; provided, however, that either party may, by written notice to the other, cause this Agreement to cease to extend automatically and, upon such notice, the "Term" of this Agreement shall be the two-year period following the date of such notice and this Agreement shall terminate upon the expiration of such Term. This Agreement shall not be considered an employment agreement and in no way guarantees Executive the right to continue in the employment of the Company or its affiliates. Executive's employment is considered employment at will, subject to Executive's right to receive payments and benefits upon certain terminations of employment as provided below.

As of the date hereof, to the extent that the Executive and the Company have previously entered into a severance agreement related to the terms and conditions addressed in this Agreement, such agreement is superseded and replaced in its entirety by this Agreement. Unless it is specifically provided otherwise, this Agreement does not supersede any Change in Control agreement between the parties that relates specifically to termination and severance benefits in connection with a Change in Control of the Company.

2. **DEFINITIONS.** For purposes of this Agreement, the following terms shall have the meanings specified below:

2.1 "**Board**" or "**Board of Directors.**" The Board of Directors of Acuity Brands, Inc., or its successor.

2.2 "**Cause**". The involuntary termination of Executive by the Company for the following reasons shall constitute a termination for Cause:

a. If termination shall have been the result of an act or acts by the Executive which have been found in an applicable court of law to constitute a felony (other than traffic-related offenses);

b. If termination shall have been the result of an act or acts by the Executive which are in the good faith judgment of the Company to be in violation of law or of written policies of the Company and which result in material injury to the Company;

c. If termination shall have been the result of an act or acts of dishonesty by the Executive resulting or intended to result directly or indirectly in gain or personal enrichment to the Executive at the expense of the Company; or

d. Upon the continued failure by the Executive substantially to perform the duties reasonably assigned to Executive given Executive's training and experience (other than any such failure resulting from incapacity due to mental or physical illness not constituting a Disability, as defined herein), after a demand in writing for substantial performance of such duties is delivered by the Company, which demand specifically identifies the manner in which the Company believes that the Executive has not substantially performed his/her duties and such failure results in material injury to the Company.

If Executive's employment is terminated for any reason, the supervising executive to whom Executive directly reports (the "Supervising Executive") shall make a determination whether or not the termination was for Cause. If the Supervising Executive determines that the termination was for Cause, then, within thirty (30) days of such termination, the Company shall provide written notice to the Executive indicating that the termination was for Cause and noting that benefits will not be made available to the Executive pursuant to this Agreement.

2.3 "**Company**". Acuity Brands, Inc., a Delaware corporation, or any successor to its business and/or assets.

2.4 "**Date of Termination**". The date specified in the Notice of Termination (which may be immediate) as the date upon which the Executive's employment with the Company is to cease.

2.5 "**Disability**". Disability shall have the meaning ascribed to such term in the Company's long-term disability plan covering the Executive, or in the absence of such plan, a meaning consistent with Section 22(e)(3) of the Code. The determination of Disability shall be made by the Company in a manner consistent with the requirements of Section 409A.

2.6 "**Notice of Termination**". A written notice from the Company to the Executive specifying the Date of Termination.

2.7 "**Section 409A**". Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and rulings thereunder.

2.8 "**Severance Period**". A period equal to the lesser of (i) twelve (12) months from the Executive's Date of Termination or (ii) the number of months (rounded to the nearest month) from the Executive's Date of Termination until the date he attains age 65; provided, however, that the Severance Period shall in no event be less than six (6) months.

3. **SCOPE OF AGREEMENT**.

This Agreement provides for the payment of compensation and benefits to Executive in the event his/her employment is involuntarily terminated by the Company without Cause. If Executive is terminated by the Company for Cause, dies, incurs a Disability or voluntarily terminates employment, this Agreement shall terminate, and Executive shall be entitled to no payments of compensation or benefits pursuant to the terms of this Agreement; provided that in such events, Executive will be entitled to whatever benefits are payable pursuant to the terms of any health, life insurance, disability, welfare, retirement, deferred compensation, or other plan or program maintained by the Company.

If, as a result of Executive's termination of employment, Executive becomes entitled to compensation and benefits under this Agreement and under a Change in Control Agreement, Executive shall be entitled to receive benefits under whichever agreement provides Executive the greater aggregate compensation and benefits (and not under the other agreement) and there shall be no duplication of benefits.

4. BENEFITS UPON INVOLUNTARY TERMINATION WITHOUT CAUSE BY THE COMPANY

If Executive's employment is involuntarily terminated by the Company during the term of this Agreement without Cause (and such termination does not arise as a result of Executive's death or Disability), the Executive shall be entitled to the compensation and benefits described below, provided that Executive, as described in Section 4.7, executes a valid release of claims in such form as may be required by the Company. In the event Executive is terminated without Cause, the Company may, in its discretion and to provide equitable treatment, grant benefits to Executive in addition to those provided below in circumstances where Executive suffers a diminution of projected benefits as a result of Executive's termination prior to attainment of age 65, including without limitation, additional retirement benefits, provided that any such grant of additional benefits shall be consistent with the requirements of Section 409A and no such grant shall be made which would violate Section 409A and the regulations and rulings thereunder.

If, as a result of Executive's termination of employment, Executive becomes entitled to compensation and benefits under this Agreement and under a Change in Control Agreement, Executive shall be entitled to receive benefits under whichever agreement provides Executive the greater aggregate compensation and benefits (and not under the other agreement) and there shall be no duplication of benefits.

4.1 Base Salary. Executive shall continue to receive his/her Base Salary (subject to withholding of all applicable taxes) for the entire Severance Period (as defined in Section 2.9 above), payable in the same manner as it was being paid on his/her Date of Termination.

4.2 Annual Bonus; Accrued Vacation. Executive shall be paid a bonus in an amount equal to the greater of (i) the annual incentive bonus that would be paid or payable to Executive for the fiscal year of the Company during which Executive's Date of Termination occurs under the Company's annual incentive plan ("Incentive Plan"), assuming the 100% target level(s) of performance had been met for such fiscal year, multiplied by a fraction (the "Pro Rata Fraction"), the numerator of which is the number of days that have elapsed in the then current fiscal year through Executive's Date of Termination and the denominator of which is 365, or (ii) the annual incentive bonus that would be paid or payable to Executive for the fiscal year of the Company during which Executive's Date of Termination occurs under the Incentive Plan based upon the Company's actual performance for such fiscal year, multiplied by the Pro Rata Fraction. The bonus amount determined pursuant to Section 4.2(i) shall be paid to Executive within thirty (30) days after the Executive's Date of Termination and any additional amount payable pursuant to Section 4.2(ii) shall be payable at the same time as bonuses are payable to other executives under the Incentive Plan. The bonus amount determined pursuant to this section shall be subject to withholding of all applicable taxes. In the event Executive becomes entitled to a bonus under this Section 4.2 and under the Incentive Plan in connection with a change in control (as defined in the Incentive Plan), Executive shall be entitled to receive whichever bonus amount is greater and Executive shall not receive a duplicate bonus for the same fiscal year (or portion of a fiscal year).

Executive shall be paid an amount equal to Executive's accrued but unused vacation (determined in accordance with Company policy) as of his/her Date of Termination. The amount shall be paid within thirty (30) days after the Executive's Date of Termination (subject to withholding of all applicable taxes).

4.3 Stock Options, Restricted Stock And Restricted Stock Units. As of Executive's Date of Termination, the vesting and exerciseability of all outstanding Stock Options, Restricted Stock, Restricted Stock Units and any other equity awards held by Executive shall be determined in accordance with the agreements governing such awards.

4.4 Health Care and Life Insurance Benefits. The health care (including dental and vision coverage, if applicable) and term life insurance coverage provided to Executive at his/her Date of Termination shall be continued at the same level as for active executives and in the same manner as if his/her employment had not terminated, beginning on the Date of Termination and ending on the last day of the Severance Period. Any additional coverage Executive had at termination, including dependent coverage, will also be continued for such period on the same terms, to the extent permitted by the applicable policies or contracts. Any costs Executive was paying for such coverage at the time of termination shall be paid by Executive by separate check payable to the Company each month in advance or, at Executive's election, may be deducted from his/her Base Salary payments under Section 4.1. If the terms of the life insurance plan referred to in this Section 4.4 or the laws applicable to such plan do not permit continued participation by Executive as required by this section, then the Company will arrange for other coverage satisfactory to Executive at the Company's expense providing substantially identical benefits or, at the Company's election, the Company will pay Executive an amount each month during the Severance Period equal to the costs to Executive for the coverage.

If the terms of the health care plan referred to in this Section 4.4 do not permit continued participation by Executive as required by this subsection or if the healthcare benefits to be provided to Executive and his/her dependents pursuant to this Section 4.4 cannot be provided in a manner such that the benefit payments will be tax-free to Executive and his/her dependents, then the Company shall (A) pay to Executive each month during the Severance Period after Executive's Termination Date an amount equal to the monthly rate for COBRA coverage under the healthcare plan that is then being paid by former active employees for the level of coverage that applies to Executive and his/her dependents, minus the amount active employees are then paying for such coverage, and (B) permit Executive and his/her dependents to elect to participate in the healthcare plan for the Severance Period upon payment of the applicable rate for COBRA coverage during the Severance Period. A benefit provided under this Section 4.4 shall cease if Executive obtains other employment and, as a result of such employment, health care or life insurance benefits are available to Executive. At the end of the Severance Period, Executive shall be entitled to elect to continue health care coverage pursuant to the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), for the period required by COBRA.

4.5 Outplacement Services. Executive will be provided for the Severance Period with outplacement services in accordance with the Company's severance policy through an outplacement firm selected by the Company (unless Executive wishes to choose a different outplacement firm), provided that the Company's total cost for such services shall not exceed an amount equal to ten percent (10%) of Executive's Base Salary.

4.6 Other Benefits. Except as expressly provided herein, all other fringe benefits provided to Executive as an active employee of the Company (e.g., 401(k) plan, AD&D, car allowance, club dues, etc.), shall cease on his/her Date of Termination, provided that any conversion or extension rights applicable to such benefits shall be made available to Executive at his/her Date of Termination or when such coverages otherwise cease at the end of the Severance Period. Except as expressly provided herein, for all other plans sponsored by the Company, the Executive's employment shall be treated as terminated on his/her Date of Termination and Executive's right to benefits shall be determined under the terms of such plans; provided, however, in no event will Executive be entitled to severance payments or benefits under any other severance plan, policy, program or agreement of the Company, except to the extent Executive is covered by a change in control agreement.

4.7 Release of Claims. To be entitled to any of the compensation and benefits described above in this Section 4, Executive shall sign a release of claims substantially in the form attached hereto as Exhibit A. No payments shall be made under this Section 4 until such release has been properly executed and delivered to the Company and until the expiration of the revocation period, if any, provided under the release. If the release is not properly executed by the Executive and delivered to the Company within the reasonable time periods specified in the release, the Company's obligations under this Section 4 will terminate.

4.8 Section 409A. The Company shall have the authority to delay the commencement of payments under this Section 4 to "key employees" of the Company (as determined by the Company in accordance with procedures established by the Company that are consistent with Section 409A) to a date which is six months after the date of Executive's Termination of Employment (and on such date the payments that would otherwise have been made during such six-month period shall be made) to the extent such delay is required under the provision of Section 409A, provided that the Company and Executive may agree to take into account any transitional rule available under Section 409A.

5. **CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION**

5.1 Purpose and Reasonableness of Provisions. Executive acknowledges that, prior to and during the Term of this Agreement, the Company has furnished and will furnish to Executive Trade Secrets and Confidential Information, which, if used by Executive on behalf of a competitor of the Protected Parties or other person, could cause substantial detriment to the Protected Parties. Moreover, the parties recognize that Executive, during the course of his/her employment with the Company, has and will develop important relationships with customers and others having valuable business relationships with the Company. In view of the foregoing, Executive acknowledges and agrees that the restrictive covenants contained in this Section 5 are reasonably necessary to protect the Protected Parties' legitimate business interests, Confidential Information, and good will.

The Company and Executive recognize that Executive may experience periodic material changes in his/her job title and/or the duties, responsibilities or services that he/she is called upon to perform on behalf of the Company. If Executive experiences such a material change, the parties shall, as soon as is practical, enter into a signed, written amendment to the relevant provisions of Exhibit B of this Severance Agreement reflecting such material change. Moreover, in the event of any material change in corporate organization or business on the part of the Direct Competitors or in the Company's Business as defined in Exhibit B, the parties agree to amend those provisions, as necessary, at the Company's request, in order to reflect such change.

5.2 Trade Secrets and Confidential Information. Executive agrees that he/she shall protect the Protected Parties' Trade Secrets (as defined in Section 5.10(b) below) and Confidential Information (as defined in Section 5.10(a) below) and shall not disclose to any person or entity, or otherwise use or disseminate, except in connection with the performance of his/her duties for the Company, any Trade Secrets or Confidential Information; provided, however, that Executive may make disclosures required by a valid order or subpoena issued by a court or administrative agency of competent jurisdiction, in which event Executive will promptly notify the Protected Parties of such order or subpoena to provide the Protected Parties an opportunity to protect their interests. Executive's obligations under this Section 5.2 shall apply during his/her employment and after his/her termination of employment, and shall survive any expiration or termination of this Agreement, provided that Executive may after such expiration or termination disclose Confidential Information with the prior written consent of the Chief Executive Officer.

The Executive, during employment with the Company, will not offer, disclose or use on Executive's own behalf or on behalf of the Company, any information Executive received prior to employment by the Company, which was supplied to Executive confidentially or which Executive should reasonably know to be confidential.

5.3 Return of Property. Upon the termination of his/her employment with the Company, Executive agrees to deliver promptly to the Company all files, customer lists, management reports, memoranda, research, company forms, financial data and reports and other documents (including all such data and documents in electronic form) of the Protected Parties, supplied to or created by him in connection with his/her employment hereunder (including all copies of the foregoing) in his/her possession or control, and all of the Company's equipment and other materials in his/her possession or control. Executive's obligations under this Section 5.3 shall survive any expiration or termination of this Agreement.

5.4 Inventions. The Executive does hereby assign to the Company the entire right, title and interest in any Invention which is made or conceived, either solely or jointly with others, during employment with the Company. The Executive agrees to promptly disclose to the Company all such Inventions. The Executive will, if requested, promptly execute and deliver to the Company a specific assignment of title for an Invention and will at the expense of the Company, take all reasonably required action by the Company to patent, copyright or otherwise protect the Invention.

5.5 Non-Competition. Executive agrees that during the course of his/her employment and for twelve (12) months after the last day of his/her employment with the Company, he/she will not, directly or indirectly, engage in, provide, or perform any Executive Services on behalf of any Direct Competitor in the Territory.

5.6 Non-Solicitation of Customers/Suppliers. The Executive agrees that during the course of his/her employment with the Company, and for eighteen months after the last day of his/her employment with the Company, the Executive will not directly or indirectly solicit Customers (as defined in Paragraph 5.10(e) below) for the purpose of providing goods and services competitive with the Company's Business.

5.7 Non-Solicitation of Employees. The Executive agrees that during the course of employment with the Company, and for a period eighteen months after the termination of his/her employment, the Executive shall not, directly or indirectly, whether on behalf of the Executive or others, solicit, lure or attempt to hire away any of the employees of the Company.

5.8 Injunctive Relief. Executive acknowledges that if he/she breaches or threatens to breach any of the provisions of this Section 5, his/her actions may cause irreparable harm and damage to the Protected Parties which could not be compensated in damages. Accordingly, if Executive breaches or threatens to breach any of the provisions of this Section 5, the Company (or, if applicable, the Protected Parties) shall be entitled to seek injunctive relief, in addition to any other rights or remedies the Company (or, if applicable, the Protected Parties) may have. The existence of any claim or cause of action by Executive against the Company, whether predicated on this Agreement or otherwise, shall not constitute a defense to the enforcement by the Company (or, if applicable, the Protected Parties) of Executive's agreements under this Section 5.

5.9 Provisions Severable. If any provision in this Section 5 is determined to be in violation of any law, rule or regulation or otherwise unenforceable, and cannot be modified to be enforceable, such determination shall not affect the validity of any other provisions of this Agreement, but such other provisions shall remain in full force and effect. Each and every provision, paragraph and subparagraph of this Section 5 is severable from the other provisions, paragraphs and subparagraphs and constitutes a separate and distinct covenant.

5.10 Definitions. For purposes of this Section 5, the following definitions shall apply:

a. "Confidential Information" means any information, without regard to form, relating to the Protected Parties' clients, operations, finances, and business that derives economic value, actual or potential, from not being generally known to other persons or entities, including but not limited to technical or non-technical data, compilations (including compilations of customer, supplier, or vendor information), programs, methods, devices, techniques, processes, financial data, pricing methodology, formulas, patterns, strategies, studies, business development, software systems, marketing techniques and lists of actual or potential customers (including identifying information about customers), whether or not in writing. Confidential Information includes information disclosed to the Protected Parties by third parties that the Protected Parties are obligated to maintain as confidential. Confidential Information subject to this Agreement may include information that is not a trade secret under applicable law, but information not constituting a trade secret only shall be treated as Confidential Information under this Agreement for a two-year period following Executive's termination of employment.

b. “Trade Secrets” means Confidential Information constituting a trade secret under applicable law.

c. “Executive Services” shall mean the Executive Services performed by the Executive as provided on Exhibit B.

d. “Inventions” means contributions, discoveries, improvements and ideas and works of authorship, whether or not patentable or copyrightable, and (i) which relate directly to the business of the Company or (ii) which result from any work performed by Executive or by Executive’s fellow employees for the Company or (iii) for which equipment, supplies, facilities, Confidential Information or Trade Secrets of the Protected Parties are used, or (iv) which is developed on the Company’s time.

e. “Customers” means customers of the Company with whom Executive had material contact on behalf of the Company during the two-year period preceding the termination of Executive’s employment with the Company.

f. “Company’s Business” shall have the meaning provided on Exhibit B.

g. “Direct Competitor” shall have the meaning provided on Exhibit B.

h. “Territory” shall mean the areas identified on Exhibit B. Executive acknowledges that Executive has reviewed Exhibit B, which is incorporated by reference, and Executive acknowledges that Executive will perform Executive Services on behalf of Company throughout the Territory.

6. **MISCELLANEOUS**

6.1 No Obligation to Mitigate. Executive shall not be required to mitigate the amount of any payment provided for under this Agreement by seeking other employment or otherwise, nor shall the amount of any payment provided for under this Agreement be reduced by any compensation earned by Executive as a result of employment by another employer after the Date of Termination or otherwise, except as provided in Section 4.4 with respect to benefits coverages.

6.2 Contract Non-Assignable. The parties acknowledge that this Agreement has been entered into due to, among other things, the special skills and knowledge of Executive, and agree that this Agreement may not be assigned or transferred by Executive.

6.3 Successors; Binding Agreement.

a. In addition to any obligations imposed by law upon any successor to the Company, the Company will require any successor (whether direct or indirect, by purchase, merger, consolidation or otherwise) to all or substantially all of the business and/or assets of the Company, or who acquires the stock of the Company, to expressly assume and agree to perform this Agreement, in the same manner and to the same extent that the Company would be required to perform it if no such succession had taken place.

b. This Agreement shall inure to the benefit of and be enforceable by Executive’s personal or legal representative, executors, administrators, successors, heirs, distributees, devisees and legatees.

6.4 Notices. All notices, requests, demands and other communications required or permitted hereunder shall be in writing and shall be deemed to have been duly given when delivered or seven days after mailing if mailed first class, certified mail, postage prepaid, addressed as follows:

If to the Company:	Acuity Brands, Inc. Attention: Chief Financial Officer 1170 Peachtree Street, Suite 2400 Atlanta, GA 30309
If to the Executive:	To his/her last known address on file with the Company

Any party may change the address to which notices, requests, demands and other communications shall be delivered or mailed by giving notice thereof to the other party in the same manner provided herein.

6.5 Provisions Severable. If any provision or covenant, or any part thereof, of this Agreement should be held by any court to be invalid, illegal or unenforceable, either in whole or in part, such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of the remaining provisions or covenants, or any part thereof, of this Agreement, all of which shall remain in full force and effect.

6.6 Waiver. Failure of either party to insist, in one or more instances, on performance by the other in strict accordance with the terms and conditions of this Agreement shall not be deemed a waiver or relinquishment of any right granted in this Agreement or the future performance of any such term or condition or of any other term or condition of this Agreement, unless such waiver is contained in a writing signed by the party making the waiver.

6.7 Amendments and Modifications. This Agreement and Exhibit B may be amended or modified only by a writing signed by both parties hereto, which makes specific reference to this Agreement or to Exhibit B.

6.8 Governing Law. The validity and effect of this Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Georgia.

6.9 Disputes; Legal Fees.

a. Disputes. All claims by Executive for compensation and benefits under this Agreement shall be in writing and shall be directed to and be determined by the Chief Executive Officer of the Company, or his/her designee, provided that such designee shall not be the Supervising Executive (the Chief Executive Officer or such designee is hereinafter referred to as the "Administrator"). Any denial by the Administrator of a claim for benefits under this Agreement shall be provided in writing to Executive within thirty (30) days of such decision and shall set forth the specific reasons for the denial and the specific provisions of this Agreement relied upon. The Administrator shall afford a reasonable opportunity to Executive for a review of its decision denying a claim and shall further allow Executive to request in writing that the Administrator reconsider the denial of the claim within sixty (60) days after notification by the Administrator that Executive's claim has been denied.

b. Legal Fees. Each party shall pay its own legal fees and other expenses associated with any dispute under this Agreement.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

EXECUTIVE:

/s/ C. DAN SMITH
C. Dan Smith

ACUITY BRANDS, INC.

/s/ VERNON J. NAGEL
Vernon J. Nagel
Chairman, President & Chief Executive Officer

EXHIBIT A
TO ACUITY BRANDS, INC.
SEVERANCE AGREEMENT

GENERAL RELEASE

(a) **Released Claims**: Employee irrevocably and unconditionally fully and finally releases, acquits and forever discharges all the claims described herein that he/she may now have against the Released Parties listed in Section 2(b), below, except that he/she is not releasing any claim that relates to: (1) his/her right to enforce this Agreement; (2) any rights or claims that arise after the execution of this Agreement; or (3) any rights or claims that he/she cannot lawfully release. Subject only to the exceptions just noted, Employee is releasing any and all claims, demands, actions, causes of action, liabilities, debts, losses, costs, expenses, or proceedings of every kind and nature, whether direct, contingent, or otherwise, known or unknown, past, present, or future, suspected or unsuspected, accrued or unaccrued, whether in law, equity, or otherwise, and whether in contract, warranty, tort, strict liability, or otherwise, which he/she now has, may have had at any time in the past, or may have at any time in the future arising or resulting from, or in any matter incidental to, any and every matter, thing, or event occurring or failing to occur at any time in the past up to and including the date of this agreement. Employee understands that the claims he/she is releasing might arise under many different laws (including statutes, regulations, other administrative guidance, and common law doctrines), such as, but not limited to, the following:

Anti-discrimination and retaliation statutes, such as Title VII of the Civil Rights Act of 1964, which prohibits discrimination and harassment based on race, color, national origin, religion, and sex and prohibits retaliation; the Age Discrimination in Employment Act (“ADEA”), which prohibits age discrimination in employment; the Equal Pay Act, which prohibits paying men and women unequal pay for equal work; the Americans With Disabilities Act and Sections 503 and 504 of the Rehabilitation Act of 1973, which prohibit discrimination based on disability; Sections 1981 and 1983 of the Civil Rights Act of 1866, which prohibit discrimination and harassment on the basis of race, color, national origin, religion or sex; the Sarbanes-Oxley Act of 2002, which prohibits retaliation against employees who participate in any investigation or proceeding related to an alleged violation of mail, wire, bank, or securities laws; Georgia anti-discrimination statutes, which prohibit retaliation and discrimination on the basis of age, disability, gender, race, color, religion, and national origin; and any other federal, state, or local laws prohibiting employment discrimination or retaliation.

Federal employment statutes, such as the WARN Act, which requires that advance notice be given of certain work force reductions; the Employee Retirement Income Security Act of 1974, which, among other things, protects employee benefits; the Family and Medical Leave Act of 1993, which requires employers to provide leaves of absence under certain circumstances; and any other federal laws relating to employment, such as veterans’ reemployment rights laws.

Other laws, such as any federal, state, or local laws providing workers’ compensation benefits (except as otherwise prohibited by law), restricting an employer’s right to terminate employees,

 Executive’s Iitials: ________

or otherwise regulating employment; any federal, state, or local law enforcing express or implied employment contracts or requiring an employer to deal with employees fairly or in good faith; any state and federal whistleblower laws, any other federal, state, or local laws providing recourse for alleged wrongful discharge, improper garnishment, assignment, or deduction from wages, health and/or safety violations, improper drug and/or alcohol testing, tort, physical or personal injury, emotional distress, fraud, negligence, negligent misrepresentation, abusive litigation, and similar or related claims, willful or negligent infliction of emotional harm, libel, slander, defamation and/or any other common law or statutory causes of action.

Examples of released claims, include, but are not limited to the following (except to the extent explicitly preserved by Section 2(a), above, of this Agreement): (i) claims that in any way relate to allegations of alleged discrimination, retaliation or harassment; (ii) claims that in any way relate to Employee's employment with the Company and/or its conclusion, such as claims for breach of contract, compensation, overtime wages, promotions, upgrades, bonuses, commissions, lost wages, or unused accrued vacation or sick pay; (iii) claims that in any way relate to any state law contract or tort causes of action; and (iv) any claims to attorneys' fees, costs and/or expenses or other indemnities with respect to claims Employee is releasing.

(b) **Released Parties**: The Released party/parties is/are Acuity Brands, Inc., all current, future and former parents, subsidiaries, related companies, partnerships, or joint ventures related thereto, and, with respect to each of them, their predecessors and successors; and, with respect to each such entity, all of its past, present, and future employees, officers, directors, stockholders, owners, representatives, assigns, attorneys, agents, and any other persons acting by, through, under or in concert with any of the persons or entities listed in this subsection, and their successors (hereinafter the "Released Parties").

(c) **Unknown Claims**: Employee understands that he/she is releasing the Released Parties from claims that he/she may not know about as of the date of the execution of this Agreement, and that is his/her knowing and voluntary intent even though Employee recognizes that someday he/she might learn that some or all of the facts he/she currently believes to be true are untrue and even though he/she might then regret having signed this Agreement. Nevertheless, Employee is expressly assuming that risk and agrees that this Agreement shall remain effective in all respects in any such case. Employee expressly waives all rights he/she might have under any law that is intended to protect him/her from waiving unknown claims Employee understands the significance of doing so. If Employee resides in California, Employee hereby expressly waives the provisions of California Civil Code Section 1542, which provides as follows: "A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor." Moreover, this Release does not extend to those rights which, as a matter of law, cannot be waived, including but not limited to, unwaivable rights that Employee may have under the California Labor Code.

(d) **Ownership of Claims**: Employee represents and warrants that he/she has not sold, assigned or transferred any claim he/she is purporting to release, nor has he/she attempted to do so. Employee expressly represents and warrants that he/she has the full legal authority to enter into this Agreement for himself/herself and his/her estate, and does not require the approval of anyone else.

(e) **Pursuit of Released Claims**: Employee represents that he/she has not filed or caused to be filed any lawsuit, complaint, or charge with respect to any claim this Agreement purports to waive, and he/she promises never to file or prosecute any lawsuit, complaint, or charge based on such claims. This provision shall not apply to any non-waivable charges or claims brought before any governmental agency. With respect to any such non-waivable claims, however, Employee agrees to waive his/her right (if any) to any monetary or other recovery, including but not limited to reinstatement, should any governmental agency or other third party pursue any claims on his/her behalf, either individually or as part of any class or collective action.

(f) **FMLA and FLSA Rights Honored:** Employee acknowledges that he/she has received all of the leave from work for family and/or personal medical reasons and/or other benefits to which he/she believes he/she is entitled under Employer's policy and the Family and Medical Leave Act of 1993 ("FMLA"), as amended. Employee has no pending request for FMLA leave with Employer; nor has Employer mistreated Employee in any way on account of any illness or injury to Employee or any member of Employee's family. Employee further acknowledges that he/she has received all of the monetary compensation, including hourly wages, salary and/or overtime compensation, to which he/she believes he/she is entitled under the Fair Labor Standards Act ("FLSA"), as amended.

(g) **ADEA Release Requirements Have Been Satisfied**: Employee understands that this Agreement has to meet certain requirements to validly release any ADEA claims Employee might have had, and Employee represents and warrants that all such requirements have been satisfied. Employee acknowledges that, before signing this Agreement, he/she was given at least twenty-one (21) days to consider this Agreement. Employee further acknowledges that: (1) he/she took advantage of as much of this period to consider this Agreement as he/she wished before signing it; (2) he/she carefully read this Agreement; (3) he/she fully understands it; (4) he/she entered into this Agreement knowingly and voluntarily (<u>i.e.</u>, free from fraud, duress, coercion, or mistake of fact); (5) this Agreement is in writing and is understandable; (6) in this Agreement, Employee waives current ADEA claims; (7) Employee has not waived future ADEA claims; (8) Employee is receiving valuable consideration in exchange for execution of this Agreement that he/she would not otherwise be entitled to receive such consideration; and (9) Employer encourages Employee in writing to discuss this Agreement with his/her attorney (at his/her own expense) before signing it, and that he/she has done so to the extent he/she deemed appropriate.

(h) **Revocation:** For a period of at least seven (7) days following the execution of such agreement, Employee may revoke this Agreement. If Employee wishes to revoke this Agreement in its entirety, he/she must make a revocation in writing which must be delivered by hand or confirmed facsimile before 5:00 p.m. of the seventh day of the revocation period to Jill Greene, Esq., One Lithonia Way, Conyers, Georgia 30012, otherwise the revocation will not be effective. <u>If Employee timely revokes this Agreement, Employer shall retain payments and benefits otherwise payable to Employee under this Agreement.</u>

(i) **Access to Independent Legal Counsel; Knowing and Voluntary Execution**: **EMPLOYEE ACKNOWLEDGES THAT HE/SHE HAS BEEN ADVISED TO SEEK INDEPENDENT LEGAL COUNSEL OF HIS/HER OWN CHOOSING IN CONNECTION WITH ENTERING INTO THIS AGREEMENT. EMPLOYEE FURTHER ACKNOWLEDGES THAT, IF DESIRED, HIS/HER LEGAL COUNSEL HAS REVIEWED THIS AGREEMENT, THAT EMPLOYEE FULLY UNDERSTANDS THE TERMS AND CONDITIONS OF THIS AGREEMENT AND THAT EMPLOYEE AGREES TO BE FULLY BOUND BY AND SUBJECT THERETO. EMPLOYEE HAS CAREFULLY READ THIS AGREEMENT AND KNOWS AND UNDERSTANDS THE CONTENTS THEREOF, AND THAT HE/SHE EXECUTES THE SAME AS HIS/HER OWN FREE ACT AND DEED.**

 Executive's Iitials: ________

IN WITNESS WHEREOF, each of the Parties have executed or caused this Agreement to be executed on the date set forth opposite the name of such party below.

Dated: ______________________________	EMPLOYER
	By: _____________________________________
Dated: ______________________________	____ EMPLOYEE

Executive's Iitials: ________

EXHIBIT B
TO ACUITY BRANDS, INC.
SEVERANCE AGREEMENT

CONFIDENTIALITY, NON-SOLICITATION AND NON-COMPETITION

5.10(c) "**Executive Services**" means the duties described on the job description for the job held by Executive, which is attached to this Exhibit B and incorporated herein by reference.

5.10(f) "**Company's Business"** means the manufacture and/or sale of one or more of the following classes of product: lighting fixtures, electric linear modular lighting systems comprised of plug-in relocatable modular wiring components, emergency lighting fixtures and systems (comprised of exit signs, emergency light units, back-up power battery packs, and combinations thereof), battery powered lighting fixtures, electric lighting track units, hardware for mounting and hanging electrical lighting fixtures, LED replacement light emitting diode tubes, aluminum, steel and fiberglass fixture poles for electric lighting, light fixture lenses, sound and electromagnetic wave receivers and transmitters, flexible wiring systems and components (namely, flexible branch circuits, attachment plugs, receptacles, connectors and fittings), emergency lighting unit inverters, electrical lighting controls, electrical dimming controllers and light switches for electric fixtures, dimming units (comprised of cabinets, control stations and wiring for control of electrical lighting fixtures and electric loads), electronic sensing devices (namely, ultrasonic occupancy sensors and range extenders for lighting energy management), or lighting control systems (comprised of dimmers, low voltage switches, programmable lighting controllers, lighting energy management occupancy sensors and timers, and range extenders for energy management).

5.10(g) "**Direct Competitor**" means the following entities: (1) Cooper Lighting; (2) Cree, Inc./LED Lighting Fixtures; (3) General Electric Company; (4) Hubbell Lighting, Inc.; (5) Royal Philips Electronics/The Genlyte Group; (6) Schneider Electric/Juno Lighting; (7) Siemens/Osram Sylvania; as well as any of their respective affiliates, subsidiaries and/or parent companies that are either located or transact business within the United States of America, but only to the extent each engages in the manufacture and/or sale of one or more classes of products competitive with the Company's Business.

5.10(h) "**Territory**" means the territory of the United States. Executive acknowledges that the Company is licensed to do business and in fact does business in all fifty states in the United States. Executive further acknowledges that the services he/she performs on behalf of the Company, including the Executive Services, are at a senior managerial level and are not limited in their territorial scope to any particular city, state, or region, but instead have nationwide impact throughout the United States. Executive further acknowledges and agrees that: (a) the Company's business is, at the very least, national in scope; and (b) these restrictions are reasonable and necessary to protect the Confidential Information, trade secrets, business relationships, and goodwill of the Company.

ATTACHMENT TO EXHIBIT B

EXECUTIVE SERVICES
C. Dan Smith
Vice President, Treasurer and Secretary
November 19, 2008

Executive Services" means those principal duties and responsibilities that Executive performs on behalf of the Company during his/her employment, as of the date hereof, as Vice President, Treasurer and Secretary, in which capacity Executive: (1) ensures liquidity and oversees the cash management functions including short-term investing; (2) develops appropriate debt structure and implements and manages debt instruments including leases; (3) oversees relationships with credit rating agencies (4) manages foreign currency exposures; (5) engages in and oversees strategic long-term analysis; (6) oversees stock repurchase programs; (7) manages retirement plan assets; (8) directs and manages the investor relations function including the annual report process; (9) coordinates and oversees annual meetings, including preparation and distribution of proxy materials; (10) prepares minutes, notices, agendas, and supporting materials for the Board of Directors and committees; (11) satisfies requirements of the Securities and Exchange Commission and New York Stock Exchange with respect to corporate governance and corporate or insider actions (including stock ownership reports); (12) maintains subsidiary records; (13) coordinates with the stock transfer agent regarding shareholder records; and (14) administers director stock option and deferred compensation plans.

Executive's Initials:________
Date: ________

AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT
FOR KEY MANAGEMENT

THIS AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT made as of this 21st day of April, 2006, by and between Acuity Brands, Inc. (the “Company”) and C. Dan Smith (the “Executive”).

WHEREAS, Executive is a key management employee of the Company; and

WHEREAS, the Board of Directors of the Company (the “Board”) recognizes that the possibility of a Change in Control (as hereinafter defined) exists and that the threat of or the occurrence of a Change in Control can result in significant distractions of its key management personnel because of the uncertainties inherent in such a situation;

WHEREAS, the Board has determined that it is essential and in the best interest of the Company and its stockholders to retain the services of the Executive in the event of a threat or occurrence of a Change in Control and to ensure his continued dedication and efforts in such event without undue concern for his personal financial and employment security; and

WHEREAS, Executive has previously entered into a Severance Protection Agreement, dated as of October 2, 2002, (the “Prior Agreement”), with the Company providing the Executive with certain compensation and benefits in the event his employment is terminated in connection with a Change in Control; and

WHEREAS, in order to continue to induce the Executive to provide services to the Company (including its subsidiary corporations), particularly in the event of a threat or the occurrence of a Change in Control, the Company desires to enter into this Amended and Restated Change in Control Agreement (the “Agreement”) with the Executive to provide the Executive with certain benefits in the event his employment is terminated as a result of, or in connection with, a Change in Control and to provide the Executive with certain other benefits whether or not the Executive’s employment is terminated.

NOW, THEREFORE, in consideration of the respective agreements of the parties contained herein, it is agreed as follows:

1. Term of Agreement.

(a) Unless earlier terminated as hereinafter provided, this Agreement shall commence on the date hereof and shall be for a rolling, two-year term (the “Term”) and shall be deemed to extend automatically, without further action by either the Company or Executive, each day for an additional day, such that the remaining term of the Agreement shall continue to be two years; provided, however, that either party may, by written notice to the other, cause this Agreement to cease to extend automatically and, upon such notice, the “Term” of this Agreement shall be the two-year period following the date of such notice and this Agreement shall terminate upon the expiration of such Term. This Agreement shall not be considered an employment agreement and in no way guarantees Executive the right to continue in the employment of the Company or its affiliates. Executive’s employment is considered employment at will, subject to Executive’s right to receive payments and benefits upon certain terminations of employment as provided below.

(b) Notwithstanding the foregoing, (1) the term of this Agreement shall not expire during a Threatened Change in Control Period or prior to the expiration of two (2) years after the occurrence of a Change in Control and (2) prior to a Change in Control and other than during a Threatened Change in Control Period, the term of this Agreement shall expire on the date the Executive terminates employment (except in circumstances that entitle the Executive to compensation and benefits hereunder), unless such termination was at the request of a Third Party or otherwise occurred in connection with, or in anticipation of, a Change in Control.

(c) Each place in this Agreement where a reference to the "Company" appears that relates to the Executive's employment, termination of employment or performing services, including the definitions of "Cause" and "Good Reason," such reference shall mean and include any subsidiary of the Company which is the primary employer of the Executive. Further, in each place where this Agreement refers to a benefit plan or program, payment of compensation, compensation arrangement or other similar plan or program maintained by the Company, such reference shall include any plan, program or arrangement maintained or established by a subsidiary of the Company. Notwithstanding the foregoing, the references in the definitions of "Change in Control," "Threatened Change in Control Period" and similar references to changes in ownership and control of the Company shall mean and refer to Acuity Brands, Inc., a Delaware corporation.

(d) As of the date hereof, this Agreement is intended to, and shall, supersede and replace in its entirety the compensation and benefits provided under Executive's Prior Agreement.

2. Definitions.

2.1 Cause. For purposes of this Agreement, "Cause" shall mean a reasonable determination by the Company that the Executive (a) intentionally and continually failed to substantially perform his duties with the Company (other than a failure resulting from the Executive's incapacity due to physical or mental illness) which failure continued for a period of at least thirty (30) days after a written notice of demand for substantial performance has been delivered to the Executive specifying the manner in which the Executive has failed to substantially perform, or (b) intentionally engaged in conduct which is demonstrably and materially injurious to the Company, monetarily or otherwise or was convicted of a misdemeanor or felony involving moral turpitude; provided, however that no termination of the Executive's employment shall be for Cause as set forth in clause (b) above until (x) there shall have been delivered to the Executive a copy of a written notice setting forth that the Executive was guilty of the conduct set forth in clause (b) and specifying the particulars thereof in detail, and (y) the Executive shall have been provided an opportunity to be heard by the Board or a committee of the Board (with the assistance of the Executive's counsel if the Executive so desires). No act, nor failure to act, on the Executive's part, shall be considered "intentional" unless he has acted, or failed to act, with a lack of good faith and without a reasonable belief that his action or failure to act was in the best interest of the Company. Notwithstanding anything contained in this Agreement to the contrary, no failure to perform by the Executive after a Notice of Termination is given by the Executive shall constitute Cause for purposes of this Agreement.

2.2 Change in Control. For purposes of this Agreement, a "Change in Control" shall mean any of the following events:

(a) The acquisition (other than from the Company in an acquisition that is approved by the Incumbent Board) by any "Person" (as the term person is used for purposes of Sections 13(d) or 14(d) of the Securities Exchange Act of 1934, as amended (the "1934 Act") of beneficial ownership (within the meaning of Rule 13d-3 promulgated under the 1934 Act) of twenty percent (20%) or more of the combined voting power of the Company's then outstanding voting securities; or

(b) The individuals who, as of April 21, 2006, are members of the Board (the "Incumbent Board"), cease for any reason to constitute at least two-thirds of the Board; provided, however, that if the election, or nomination for election by the Company's stockholders, of any new director was approved by a vote of at least two-thirds of the Incumbent Board, such new director shall, for purposes of this Agreement, be considered as a member of the Incumbent Board; or

(c) Consummation of a merger or consolidation involving the Company if the stockholders of the Company, immediately before such merger or consolidation do not, as a result of such merger or consolidation, own, directly or indirectly, more than sixty percent (60%) of the combined voting power of the then outstanding voting securities of the corporation resulting from such merger or consolidation in substantially the same proportion as their ownership of the combined voting power of the voting securities of the Company outstanding immediately before such merger or consolidation; or

(d) a complete liquidation or dissolution of the Company or the sale or other disposition of all or substantially all of the assets of the Company.

Notwithstanding the foregoing, a Change in Control shall not be deemed to occur pursuant to Section 2.2(a), solely because twenty percent (20%) or more of the combined voting power of the Company's then outstanding securities is acquired by (i) a trustee or other fiduciary holding securities under one or more employee benefit plans maintained by the Company or any of its subsidiaries or (ii) any corporation which, immediately prior to such acquisition, is owned directly or indirectly by the stockholders of the Company in the same proportion as their ownership of stock in the Company immediately prior to such acquisition (hereinafter referred to as "Related Persons").

(e) Notwithstanding anything contained in this Agreement to the contrary, if the Executive's employment is terminated prior to a Change in Control and the Executive reasonably demonstrates that such termination (1) was at the request of a Third Party (as hereinafter defined) or (2) otherwise occurred in connection with, or in anticipation of, a Change in Control (including, without limitation, during a Threatened Change in Control Period), then for all purposes of this Agreement, the date of a Change in Control shall mean the date immediately prior to the date of such termination of the Executive's employment.

2.3 Confidential Information. For purpose of this Agreement, "Confidential Information" shall mean all technical, business, and other information relating to the business of the Company or its subsidiaries or affiliates, including, without limitation, technical or nontechnical data, formulae, compilations, programs, devices, methods, techniques, processes, financial data, financial plans, product plans, and lists of actual or potential customers or suppliers, which (i) derives economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons, and (ii) is the subject of efforts that are reasonable under the circumstances to maintain its secrecy or confidentiality. Such information and compilations of information shall be subject to protection under this Agreement whether or not such information constitutes a trade secret and is separately protectable at law or in equity as a trade secret.

2.4 Disability. For purposes of this Agreement, "Disability" shall have the meaning ascribed to such term in the Company's long-term disability plan or policy covering the Executive, or in the absence of such plan or policy, a meaning consistent with Section 22(e)(3) of the Internal Revenue Code of 1986, as amended.

2.5 (a) Good Reason. For purposes of this Agreement, "Good Reason" shall mean the occurrence coincident with or after a Change in Control of any of the events or conditions described in Subsections (1) through (8) hereof:

(1) a change in the Executive's status, title, position or responsibilities (including reporting responsibilities) which, in the Executive's reasonable judgment, represents an adverse change from his status, title, position or responsibilities as in effect immediately prior thereto; the assignment to the Executive of any duties or responsibilities which, in the Executive's reasonable judgment, are inconsistent with his status, title, position or responsibilities; or any removal of the Executive from or failure to reappoint or reelect him to any of such offices or positions, except in connection with the termination of his employment for Disability, Cause, as a result of his death or by the Executive other than for Good Reason;

(2) a reduction in the Executive's base salary or any failure to pay the Executive any compensation or benefits to which he is entitled within five days of the date due;

(3) the Company's requiring Executive to be based more than 50 miles from the primary workplace where Executive is based immediately prior to the Change in Control except for reasonably required travel on the Company's business which is not greater than such travel requirements prior to the Change in Control;

(4) the failure by the Company (A) to continue in effect (without reduction in benefit level, and/or reward opportunities) any compensation or employee benefit plan in which the Executive was participating immediately prior to the Change in Control, including, but not limited to, the plans listed on Appendix A in which Executive is participating, unless a substitute or replacement plan has been implemented which provides substantially identical compensation or benefits to the Executive or (B) to provide the Executive with compensation and benefits, in the aggregate, at least equal (in terms of benefit levels and/or reward opportunities) to those provided for under each other compensation or employee benefit plan, program and practice as in effect immediately prior to the Change in Control (or as in effect following the Change in Control, if greater);

(5) the insolvency or the filing (by any party, including the Company) of a petition for bankruptcy of the Company;

(6) any material breach by the Company of any provision of this Agreement;

(7) any purported termination of the Executive's employment for Cause by the Company which does not comply with the terms of Section 2.1; or

(8) the failure of the Company to obtain an agreement, satisfactory to the Executive, from any successor or assign of the Company to assume and agree to perform this Agreement, as contemplated in Section 9 hereof.

(b) Any event or condition described in Section 2.5(a)(1) through (8) which occurs prior to a Change in Control but which the Executive reasonably demonstrates (1) was at the request of a third party who has indicated an intention or taken steps reasonably calculated to effect a Change in Control (a "Third Party"), or (2) otherwise arose in connection with or in anticipation of a Change in Control, shall constitute Good Reason for purposes of this Agreement notwithstanding that it occurred prior to the Change in Control.

(c) The Executive's right to terminate his employment pursuant to this Section 2.5 shall not be affected by his incapacity due to physical or mental illness.

2.6 Threatened Change in Control. For purposes of this Agreement, a Threatened Change in Control shall mean the occurrence of any of the following events:

(a) when the Company is aware of or is contemplating, a proposal (a "Proposal") for any Person other than a Related Person (1) to acquire five percent (5%) or more of the voting power of the Company's outstanding securities, or (2) to merge or consolidate with another entity, transfer or sell assets of the Company, or liquidate or dissolve the Company, in each case described in this clause (2) in a transaction that would constitute a Change in Control; or

(b) any Person other than a Related Person,

(1) acquires five percent (5%) or more of the voting power of the Company's outstanding securities, other than as a holder whose investment in the Company is eligible to be reported on Schedule 13G pursuant to Rule 13d-l (b) (1) promulgated under the Exchange Act, or

(2) initiates a tender or exchange offer to acquire such number of securities as would result in such Person holding twenty percent (20%) or more of the voting power of the Company's outstanding securities, or

(3) solicits proxies for votes to elect members of the Board at a shareholders' meeting of the Company.

2.7 Threatened Change in Control Period. For purposes of this Agreement, a Threatened Change in Control Period shall mean the period commencing on the date that a Threatened Change in Control has occurred and ending upon:

(a) the date the Proposal referred to in Section 2.6(a) is abandoned;

(b) the acquisition of five percent (5%) of the voting power of the Company's outstanding securities by the Person referred to in Section 2.6(a)(1) if such acquisition does not constitute a Threatened Change in Control under Section 2.6(b)(1);

(c) (1) the date when any Person described in Section 2.6(b)(1) shall own less than five percent (5%) of the voting power of the Company's outstanding securities, (2) shall have abandoned the tender or exchange offer, or (3) shall not have elected a member of the Board as the case may be; or

(d) the date a Change in Control occurs.

2.8 1934 Act. The Securities Exchange Act of 1934, as amended.

3. Termination of Employment.

3.1 If, during the term of this Agreement, the Executive's employment with the Company shall be terminated coincident with or within two (2) years following the occurrence of a Change in Control, the Executive shall be entitled to the following compensation and benefits depending upon the circumstances of such termination (in addition to any compensation and benefits provided for under any of the Company's employee benefit plans, policies and practices):

(a) If the Executive's employment with the Company shall be terminated during such 2-year period (1) by the Company for Cause or Disability, (2) by reason of the Executive's death, or (3) by the Executive other than for Good Reason (as each term is defined herein), the Company shall pay the Executive all amounts earned or accrued through the Termination Date but not paid as of the Termination Date, including (i) base salary, (ii) reimbursement for reasonable and necessary expenses incurred by the Executive on behalf of the Company during the period ending on the Termination Date, (iii) vacation pay, and (iv) sick leave (collectively, "Accrued Compensation"). In addition to the foregoing, if the Executive's employment is terminated by the Company for Disability or by reason of the Executive's death, the Company shall pay to the Executive or his beneficiaries an amount equal to the "Pro Rata Bonus" (as hereinafter defined). The "Pro Rata Bonus" is an amount equal to the Bonus Amount (as hereinafter defined) multiplied by a fraction the numerator of which is the number of days in such fiscal year through the Termination Date and the denominator of which is 365. The term "Bonus Amount" shall mean the greater of the (x) most recent annual bonus paid or payable to the Executive, or, (y) the target annual bonus payable for the fiscal year during which the Termination Date occurs, or, if greater, for the fiscal year during which a Change in Control occurred or (z) the average of the annual bonuses paid or payable during the three full fiscal years ended prior to the Termination Date or, if greater, the three full fiscal years ended prior to the Change in Control (or, in each case, such lesser period for which annual bonuses were paid or payable to the Executive). Executive's entitlement to any other compensation or benefits shall be determined in accordance with the Company's employee benefit plans and other applicable programs and practices then in effect.

(b) If the Executive's employment with the Company shall be terminated (other than by reason of death) during such 2-year period, (1) by the Company other than for Cause or Disability, or (2) by the Executive for Good Reason, the Executive shall be entitled to the following:

(i) the Company shall pay the Executive all Accrued Compensation and a Pro-Rata Bonus;

(ii) the Company shall pay the Executive as severance pay and in lieu of any further compensation for periods subsequent to the Termination Date, in a single payment an amount (the "Severance Amount") in cash equal to one and one-half (1.5) times the sum of (A) the greater of the Executive's base salary in effect on the Termination Date or at any time during the 90-day period prior to the Change in Control ("Base Salary") and (B) the Bonus Amount. Notwithstanding the foregoing, if the Executive has attained at least age 63 1/2 on the Termination Date the Severance Amount to be paid under this Subsection (ii) shall be the amount described in the preceding sentence multiplied by a fraction (which in no event shall be less than one-half) the numerator of which shall be the number of months (for this purpose any partial month shall be considered as a whole month) remaining until the Executive's 65th birthday (but in no event shall be less than 9) and the denominator of which shall be 18;

(iii) for a number of months equal to the lesser of (A) 18 or (B) the number of months remaining until the Executive's 65th birthday (the "Continuation Period"), the Company shall at its expense continue on behalf of the Executive and his dependents and beneficiaries as if Executive remained actively employed, the life insurance, disability, and healthcare (including dental and vision, if applicable) benefits provided (x) to the Executive at the time the Notice of Termination is given, at any time during the 90-day period prior to the Change in Control or at any time thereafter, or (y) to other similarly situated executives who continue in the employ of the Company during the Continuation Period. The coverage and benefits (including deductibles and costs) provided in this Section 3.1(b) (iii) during the Continuation Period shall be no less favorable to the Executive and his dependents and beneficiaries, than the most favorable of such coverages and benefits during any of the periods referred to in clauses (x) and (y) above. Any costs Executive was paying for such coverages at the time of termination shall be paid by Executive by separate check to the Company each month in advance. If the terms of the life insurance or disability plan referred to in this subsection (iii), or the laws applicable to such plan, do not permit continued participation by Executive as required by this subsection, then the Company will arrange for other coverages satisfactory to Executive at the Company's expense providing substantially identical benefits or, at the Executive's election, the Company will pay Executive a lump sum amount equal to the costs to Executive for the coverage (or coverages) for the full Continuation Period within five (5) days after the Executive's Termination Date. If the terms of the health care plan referred to in this subsection (iii) do not permit continued participation by Executive as required by this subsection or if the healthcare benefits to be provided to Executive and his dependents pursuant to this subsection (iii) cannot be provided in a manner such that the benefit payments will be tax-free to Executive and his dependents, then the Company shall (A) pay to Executive within five (5) days after Executive's Termination Date a lump sum amount equal to the monthly rate for COBRA coverage at the date of Executive's termination under the healthcare plan that is then being paid by former active employees for the level of coverage that applies to Executive and his dependents, minus the amount active employees are then paying for such coverage, multiplied by the number of months in the Continuation Period (plus a tax gross-up on the lump sum amount determined under this subsection (iii)(A)), and (B) permit Executive and his dependents to elect to participate in the healthcare plan for the Continuation Period upon payment of the applicable rate for COBRA coverage during the Continuation Period.

The Company's obligation hereunder with respect to the foregoing benefits shall be limited to the extent that the Executive obtains any such benefits pursuant to a subsequent employer's benefit plans, in which case the Company may reduce the coverage of any benefits it is required to provide the Executive hereunder as long as the aggregate coverages and benefits of the combined benefit plans is no less favorable to the Executive than the coverages and benefits required to be provided hereunder. This Subsection (iii) shall not be interpreted so as to limit any benefits to which the Executive or his dependents may be entitled under any of the Company's employee benefit plans, programs or practices following the Executive's termination of employment, including without limitation, retiree medical and life insurance benefits;

In the event the Executive receives healthcare benefits coverage for the full length of the Continuation Period pursuant to the provisions of this subsection (iii), the Executive and his dependents shall continue to be eligible to elect to receive healthcare benefits coverage for up to an additional thirty-six (36) months ("Extended Continuation Period"), provided however, that no benefits will be provided (i) if healthcare benefits coverage is available to the Executive through another employer during the Extended Continuation Period, or (ii) after the covered individual reaches age 65. The healthcare benefits coverage during the Extended Continuation Period shall be substantially similar to the healthcare benefits coverage Executive received during the Continuation Period. The costs to the Executive for the healthcare benefits coverage during the Extended Continuation Period shall be the same as the COBRA costs paid by terminating employees during the same time period as the Extended Continuation Period.

(iv) the Company shall pay in a single payment an amount in cash equal to the amount the Executive would have received if he remained employed for an additional one and one-half (1.5) years (or until his 65th birthday, if earlier), his annual compensation during such period had been equal to his Base Salary and the Bonus Amount and the Company had continued to make employer contributions or credits on Executive's behalf to each defined contribution plan in which Executive was a participant at the Termination Date including, without limitation, the Acuity Brands, Inc. 401(k) Plan (assuming Executive participated in such plan at the maximum permissible contribution level) and the Acuity Brands, Inc. Supplemental Deferred Savings Plan ("SDSP"). For purposes of the SDSP, the Executive shall be credited with the contribution to the Supplemental Subaccount (but not the Matching Subaccount), the Make-Up Contribution Credit and the SERP Make-Up Contribution Credit for such one and one-half (1.5) year period (to the extent Executive is eligible for each such contribution), provided that the requirements of the SDSP that the Executive have a Year of Service for each year and be employed on the last day of the year shall not apply to the eligibility to receive such contributions; and

(v) (A) the restrictions on any outstanding incentive awards (including restricted stock, restricted stock units and granted Performance Shares) granted to the Executive under the Company's Long-Term Incentive Plan or under any other incentive plans or arrangements shall lapse and such incentive awards shall become one hundred percent (100%) vested, all stock options and stock appreciation rights granted to the Executive shall become immediately exercisable and shall become 100% vested, and Performance Units granted to Executive shall become 100% vested and (B) the Executive shall have the right to require the Company to purchase, for cash, any shares of unrestricted stock or shares purchased upon exercise of any options, at a price equal to the fair market value of such shares on the date of purchase by the Company.

(c) The amounts provided for in Sections 3.1(a) and 3.1(b)(i), (ii), (iv), and (v) shall be paid within five (5) days after the Executive's Termination Date.

(d) The Executive shall not be required to mitigate the amount of any payment provided for in this Agreement by seeking other employment or otherwise and no such payment shall be offset or reduced by the amount of any compensation or benefits provided to the Executive in any subsequent employment except as provided in Section 3.1(b)(iii).

3.2 If, as a result of Executive's termination of employment, Executive becomes entitled to compensation and benefits under this Agreement and under the Severance Agreement, dated as of April 21, 2006, ("Severance Agreement"), between Executive and the Company, Executive shall be entitled to receive benefits under whichever agreement provides Executive the greater aggregate compensation and benefits (and not under the other agreement) and there shall be no duplication of benefits. Except as provided in the preceding sentence, the severance pay and benefits provided for in Sections 3.1(a) and 3.1(b) shall be in lieu of any other severance pay to which the Executive may be entitled under any Company severance plan, program or arrangement for a termination of employment covered by such circumstances, except that if the severance pay of the type referenced in Section 3.1(b)(ii) provided under such other plans, programs or arrangements is greater than the amount calculated under Section 3.1(b)(ii), then that greater amount and not the amount under Section 3.1(b)(ii) shall be paid.

3.3 To the extent applicable, this Agreement shall at all times be operated in accordance with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended and the regulations and rulings thereunder ("Section 409A"), including any applicable transition rules. The Company shall have authority to take action, or refrain from taking any action, with respect to the payments and benefits under this Agreement that is reasonably necessary to comply with Section 409A. Specifically, the Company shall have the authority to delay the commencement of payments under Section 3.1 to "key employees" of the Company to the extent such delay is mandated by the provisions of the Section 409A; provided that the Company and Executive may agree to take into account any transitional rule available under Section 409A.

4. Notice of Termination. During a Threatened Change in Control Period and following a Change in Control, any purported termination by the Company or by the Executive shall be communicated by written Notice of Termination to the other. For purposes of this Agreement, a "Notice of Termination" shall mean a notice which indicates the specific termination provision in this Agreement relied upon and shall set forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated. For purposes of this Agreement, no such purported termination shall be effective without such Notice of Termination.

5. Termination Date. "Termination Date" shall mean in the case of the Executive's death, his date of death, and in all other cases, the date specified in the Notice of Termination subject to the following:

(a) If the Executive's employment is terminated by the Company for Cause or due to Disability, the date specified in the Notice of Termination shall be at least thirty (30) days from the date the Notice of Termination is given to the Executive, provided that in the case of Disability the Executive shall not have returned to the full-time performance of his duties during such period of at least 30 days; and

(b) If the Executive's employment is terminated for Good Reason, the date specified in the Notice of Termination shall not be more than sixty (60) days from the date the Notice of Termination is given to the Company.

6. Excise Tax Payments.

(a) Notwithstanding anything contained in this Agreement to the contrary, to the extent that the payments and benefits provided under this Agreement ("Agreement Payments") and benefits provided to, or for the benefit of, the Executive under any other Company plan or agreement (such payments or benefits are collectively referred to as the "Total Payments") would be subject to the excise tax (the "Excise Tax") imposed under Section 4999 of the Internal Revenue Code of 1986, as amended (the "Code"), the Agreement Payments shall be reduced or eliminated if and to the extent necessary so that no Agreement Payment to be made to the Executive shall be subject to the Excise Tax. Unless the Executive shall have given prior written notice specifying a different order to the Company to effectuate the foregoing, the Company shall reduce or eliminate the Agreement Payments, by first reducing or eliminating the portion of the Agreement Payments which are payable in cash and then by reducing or eliminating non-cash payments, in each case in reverse order beginning with Agreement Payments which are to be paid the farthest in time from the Determination (as hereinafter defined). Any notice given by the Executive pursuant to the preceding sentence shall take precedence over the provisions of any other plan, arrangement or agreement governing the Executive's rights and entitlements to any benefits or compensation.

(b) The determination of whether the Agreement Payments shall be reduced or eliminated as provided in Section 6(a) above and the amount of such reduction shall be made, at the Company's expense, by an accounting firm selected by the Company which is one of the four largest accounting firms in the United States (the "Accounting Firm"). The Accounting Firm shall provide its determination (the "Determination"), together with detailed supporting calculations and documentation to the Company and the Executive within fifteen (15) business days of the Termination Date, if applicable, or such other time as requested by the Company or by the Executive (provided the Executive reasonably believes that any of the Total Payments may be subject to the Excise Tax) and if the Accounting Firm determines that no Excise Tax is payable by the Executive with respect to the Total Payments, it shall furnish the Executive with an opinion reasonably acceptable to the Executive that no Excise Tax will be imposed with respect to the Total Payments. The Determination shall be binding, final and conclusive upon the Company and the Executive.

(c) Notwithstanding anything contained in this Agreement to the contrary, in the event that, according to the Determination, an Excise Tax will be imposed on any Payment or Payments, the Company shall pay to the applicable government taxing authorities as Excise Tax withholding, the amount of the Excise Tax that the Company has actually withheld from the Payment or Payments.

7. Unauthorized Disclosure. During the period that the Executive is actively employed by the company or Division, and for a period of six (6) months after Executive's termination of employment, the Executive shall not make any Unauthorized Disclosure. For purposes of this Agreement, "Unauthorized Disclosure" shall mean disclosure by the Executive without the consent of the Board (other than pursuant to a court order) to any person, other than an employee or director of the Company or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by the Executive of his duties as an executive of the Company or as may be legally required, of any material Confidential Information obtained by the Executive while in the employ of the Company (including any material Confidential Information with respect to any of the Company's customers or methods of distribution) the disclosure of which is demonstrably and materially injurious to the Company; provided, however, that such term shall not include the use or disclosure by the Executive, without consent, of any information known generally to the public (other than as a result of disclosure by him in violation of this Section 7) or any information not otherwise considered confidential and material by a reasonable person engaged in the same business as that conducted by the Company; provided further, however, that any breach of this Section 7 shall in no event subject the Executive to damages (including costs, fees and expenses incurred by the Company or the Business Unit) in excess of $10,000 in the aggregate.

8. Non-Compete. During the period that the Executive is actively employed by the Company or Business Unit and for six months following the Executive's termination of employment, the Executive shall not directly or indirectly, own, manage, operate, control, consult with, or be connected as an officer, employee, agent, partner, director or consultant with, or have any financial interest in, or assist anyone in the conduct of, any business which directly competes with any business or line of business of the Company. Notwithstanding the foregoing, the Executive shall not be in violation of the preceding sentence due to ownership (directly or indirectly) by the Executive of not more than five percent (5%) of the issued and outstanding class of securities of a corporation whose securities are publicly traded.

9. Non-Solicitation. For six-months after termination of employment with the Company for any reason, the Executive shall not directly or indirectly solicit for hire, or assist any other person in soliciting for hiring, any employee of the Company (as for the date of termination), or induce any such employee to terminate his or her employment with the Company.

10. Successors; Binding Agreement.

(a) This Agreement shall be binding upon and shall inure to the benefit of the Company, its successors and assigns and the Company shall require any successor or assign to expressly assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform it if no such succession or assignment had taken place. Failure of the Company to obtain such assumption and agreement prior to the effectiveness of any such succession shall be a breach of this Agreement and shall entitle the Executive to compensation from the Company in the same amount and on the same terms as the Executive would be entitled to hereunder if the Executive were to terminate the Executive's employment for Good Reason, except that, for purposes of implementing the foregoing, the date on which any such succession becomes effective shall be deemed the Date of Termination. The term "the Company" as used herein shall include such successors and assigns. The term "successors and assigns" as used herein shall mean a corporation or other entity acquiring all or substantially all the assets and business of the Company (including this Agreement) whether by operation of law or otherwise.

(b) Neither this Agreement nor any right or interest hereunder shall be assignable or transferable by the Executive, his beneficiaries or legal representatives, except by will or by the laws of descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal personal representative.

11. Fees and Expenses. The Company shall pay all legal fees and related expenses (including the costs of experts, evidence and counsel) incurred by the Executive as they become due as a result of (a) the Executive's termination of employment (including all such fees and expenses, if any, incurred in contesting or disputing any such termination of employment), (b) the Executive seeking to obtain or enforce any right or benefit provided by this Agreement or by any other plan or arrangement maintained by the Company under which the Executive is or may be entitled to receive benefits, including, without limitation, the plans listed on Appendix A, or (c) the Executive's hearing before the Board as contemplated in Section 2.1 of this Agreement; provided, however, that the circumstances which result in the Executive incurring the fees and related expense set forth in clauses (a) and (b) (other than as a result of the Executive's termination of employment under circumstances described in Section 2.2(d)) occurred on or after a Change in Control.

12. Notice. For the purposes of this Agreement, notices and all other communications provided for in the Agreement (including the Notice of Termination) shall be in writing and shall be deemed to have been duly given when personally delivered or sent by certified mail, return receipt requested, postage prepaid, addressed to the respective addresses last given by each party to the other, provided that all notices to the Company shall be directed to the attention of the Board with a copy to the Secretary of the Company. All notices and communications shall be deemed to have been received on the date of delivery thereof or on the third business day after the mailing thereof, except that notice of change of address shall be effective only upon receipt.

13. Non-Exclusivity of Rights. Except as provided in Section 3.2 with respect to the Severance Agreement, nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Company or any of its subsidiaries and for which the Executive may qualify, nor shall anything herein limit or reduce such rights as the Executive may have under any other agreements with the Company or any of its subsidiaries. Amounts which are vested benefits or which the Executive is otherwise entitled to receive under any plan or program of the Company or any of its subsidiaries shall be payable in accordance with such plan or program, except as explicitly modified by this Agreement.

14. Settlement of Claims. The Company's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any

circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Company may have against the Executive or others.

15. Miscellaneous. No provision of this Agreement may be modified, waived or discharged unless such waiver, modification or discharge is agreed to in writing and signed by the Executive and the Company. No waiver by either party hereto at any time of any breach by the other party hereto of, or compliance with, any condition or provision of this Agreement to be performed by such other party shall be deemed a waiver of similar or dissimilar provisions or conditions at the same or at any prior or subsequent time. No agreement or representations, oral or otherwise, express or implied, with respect to the subject matter hereof have been made by either party which are not expressly set forth in this Agreement.

16. Indemnification. During the term of this Agreement and for a period of three (3) years after Executive's termination, the Company shall indemnify Executive and hold Executive harmless from and against any claim, loss or cause of action arising from or out of Executive's performance as an officer, director or employee of the Company or any of its subsidiaries or other affiliates or in any other capacity, including any fiduciary capacity, in which Executive serves at the Company's request, in each case to the maximum extent permitted by law and under the Company's Articles of Incorporation and By-Laws (the "Governing Documents"), provided that in no event shall the protection afforded to Executive hereunder be less than that afforded under the Governing Documents as in effect on the date of this Agreement except from changes mandated by law. During the Term and for a period of three (3) years, Executive shall be covered by any policy of directors and officers liability insurance maintained by the Company for the benefit of its then officers and directors.

17. Governing Law. This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of Georgia without giving effect to the conflict of laws principles thereof. Any action brought by any party to this Agreement shall be brought and maintained in a court of competent jurisdiction in Fulton county in the State of Georgia.

18. Severability. The provisions of this Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

19. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto and supersedes all prior agreements, if any, understandings and arrangements, oral or written, between the parties hereto with respect to the subject matter hereof.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its duly authorized officer and the Executive has executed this Agreement as of the day and year first above written.

ACUITY BRANDS, INC.

/s/ VERNON J. NAGEL
Vernon J. Nagel
Chairman, President, and Chief Executive Officer

EXECUTIVE:

/s/ C. DAN SMITH
C. Dan Smith

APPENDIX A
BENEFIT PLANS AND AGREEMENTS
(To The Extent Executive Participates In Such Plans and Agreements)

Management Compensation and Incentive Plan

Executives' Deferred Compensation Plan

Supplemental Deferred Savings Plan

Long-Term Incentive Plan

Senior Management Benefit Plan

401(k) Plan (or similar deferred compensation plan covering the Executive)

Employment Letter Agreement, dated November 6, 1997, and any amendments to such agreement

EXHIBIT 21

LIST OF SUBSIDIARIES
ACUITY BRANDS, INC.
As of August 31, 2009

Subsidiary or Affiliate	Principal Location	State or Other Jurisdiction of Incorporation or Organization
ABL IP Holding LLC	Atlanta, Georgia	Georgia
Acuity Brands Servicios S.A. de C.V.	Tultitlan, Mexico City	Mexico
Acuity Brands Lighting (Hong Kong) Ltd.	Hong Kong	Hong Kong
Acuity Insurance (Bermuda) Ltd.	Hamilton, Bermuda	Bermuda
Acuity Brands Lighting, Inc.	Atlanta, Georgia	Delaware
Acuity Brands Lighting Mexico, S. de R.L. de C.V.	Monterrey, Nuevo Leon	Mexico
Acuity Brands Lighting Operations de Mexico, S. de R.L. de C.V.	Monterrey, Nuevo Leon	Mexico
Acuity Brands Lighting Servicios de Mexico, S. de R.L. de C.V.	Monterrey, Nuevo Leon	Mexico
Acuity Mexico Holdings, LLC	Atlanta, Georgia	Delaware
Acuity Puerto Rico, Inc.	Atlanta, Georgia	Delaware
Acuity Unlimited, Inc.	Atlanta, Georgia	Delaware
Ai Rui Di Trading (Shanghai) Co. Ltd.	Shanghai	Shanghai
C&G Carandini SA	Barcelona, Spain	Spain
Castlight de Mexico, S.A. de C.V.	Matamoros, Tamaulipas	Mexico
Holophane S.A. de C.V.	Tultitlan, Mexico City	Mexico
Holophane Alumbrado Iberica S.r.l.	Barcelona, Spain	Spain
Holophane Canada, Inc.	Richmond Hill, Ontario	Canada
Holophane Europe Ltd.	Milton Keynes, England	United Kingdom
Holophane Lichttechnik GmbH	Düsseldorf, Germany	Germany
Holophane Lighting Ltd.	Milton Keynes, England	United Kingdom
HSA Acquisition Corporation	Atlanta, Georgia	Ohio
ID Limited	Douglas, Isle of Man	Isle of Man
Luxfab Ltd.	Milton Keynes, England	United Kingdom
Acuity Brands Technology Services, Inc.	Atlanta, Georgia	Delaware
Sensor Switch, Inc.(1)	Wallingford, Connecticut	Connecticut
Sensor Switch (Canada) Holdings, Inc.	Wallingford, Connecticut	Connecticut

(1) Effective September 1, 2009, Sensor Switch, Inc., was merged into Acuity Brands Lighting, Inc.

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the following Registration Statements of our reports dated October 29, 2009, with respect to the consolidated financial statements and schedule of Acuity Brands, Inc., and the effectiveness of internal control over financial reporting of Acuity Brands, Inc. included in this Annual Report (Form 10-K) for the year ended August 31, 2009.

(1) Registration Statement No. 333-74242 on Form S-8 (Acuity Brands, Inc. 401(k) Plan, Acuity Lighting Group, Inc. 401(k) Plan for Hourly Employees, Holophane Division of Acuity Lighting Group 401(k) Plan for Hourly Employees, Holophane Division of Acuity Lighting Group 401(k) Plan for Hourly Employees Covered by a Collective Bargaining Agreement);

(2) Registration Statement No. 333-74246 on Form S-8 (Acuity Brands, Inc. Long-Term Incentive Plan, Acuity Brands, Inc. Employee Stock Purchase Plan, Acuity Brands, Inc. 2001 Nonemployee Directors' Stock Option Plan);

(3) Registration Statement No. 333-123999 on Form S-8 (Acuity Brands, Inc. 401(k) Plan);

(4) Registration Statement No. 333-126521 on Form S-8 (Acuity Brands, Inc. Long-Term Incentive Plan (as amended and restated));

(5) Registration Statement No. 333-138384 on Form S-8 (Acuity Brands, Inc. 2005 Supplemental Deferred Savings Plan, Acuity Brands, Inc. Nonemployee Director Deferred Compensation Plan (as amended and restated));

(6) Registration Statement No. 333-152134 on Form S-8 (Acuity Brands, Inc. Long-Term Incentive Plan (as amended and restated)); and

(7) Registration Statement No. 333-159326 on Form S-3 and related Prospectus of Acuity Brands, Inc.

/s/ Ernst & Young LLP

Atlanta, Georgia
October 29, 2009

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Richard K. Reece and Vernon J. Nagel, and each of them individually, his true and lawful attorneys-in-fact (with full power of substitution and resubstitution) to act for him in his name, place, and stead in his capacity as a director or officer of Acuity Brands, Inc., to file a registrant's annual report on Form 10-K for the fiscal year ended August 31, 2009, and any and all amendments thereto, with any exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, and each of them individually, full power and authority to do and perform each and every act and thing requisite and necessary to be done in the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact or either of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ Peter C. Browning

Peter C. Browning

Dated: October 26, 2009

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Richard K. Reece and Vernon J. Nagel, and each of them individually, his true and lawful attorneys-in-fact (with full power of substitution and resubstitution) to act for him in his name, place, and stead in his capacity as a director or officer of Acuity Brands, Inc., to file a registrant's annual report on Form 10-K for the fiscal year ended August 31, 2009, and any and all amendments thereto, with any exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, and each of them individually, full power and authority to do and perform each and every act and thing requisite and necessary to be done in the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact or either of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ John L. Clendenin
John L. Clendenin

Dated: October 26, 2009

Exhibit 24

POWER OF ATTORNEY

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/s/ George C. (Jack) Guynn
George C. (Jack) Guynn

Dated: October 26, 2009

Exhibit 24

POWER OF ATTORNEY

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/s/ Gordon D. Harnett

Gordon D. Harnett

Dated: October 26, 2009

Exhibit 24

POWER OF ATTORNEY

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/s/ Ray M. Robinson
Ray M. Robinson

Dated: October 26, 2009

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Richard K. Reece and Vernon J. Nagel, and each of them individually, his true and lawful attorneys-in-fact (with full power of substitution and resubstitution) to act for him in his name, place, and stead in his capacity as a director or officer of Acuity Brands, Inc., to file a registrant's annual report on Form 10-K for the fiscal year ended August 31, 2009, and any and all amendments thereto, with any exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, and each of them individually, full power and authority to do and perform each and every act and thing requisite and necessary to be done in the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact or either of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ Neil Williams
Neil Williams

Dated: October 26, 2009

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Richard K. Reece and Vernon J. Nagel, and each of them individually, her true and lawful attorneys-in-fact (with full power of substitution and resubstitution) to act for her in her name, place, and stead in her capacity as a director or officer of Acuity Brands, Inc., to file a registrant's annual report on Form 10-K for the fiscal year ended August 31, 2009, and any and all amendments thereto, with any exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, and each of them individually, full power and authority to do and perform each and every act and thing requisite and necessary to be done in the premises, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact or either of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ Robert F. McCullough
Robert F. McCullough

Dated: October 26, 2009

Exhibit 24

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned hereby constitutes and appoints Richard K. Reece and Vernon J. Nagel, and each of them individually, her true and lawful attorneys-in-fact (with full power of substitution and resubstitution) to act for her in her name, place, and stead in her capacity as a director or officer of Acuity Brands, Inc., to file a registrant's annual report on Form 10-K for the fiscal year ended August 31, 2009, and any and all amendments thereto, with any exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact, and each of them individually, full power and authority to do and perform each and every act and thing requisite and necessary to be done in the premises, as fully to all intents and purposes as she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact or either of them, or their substitutes, may lawfully do or cause to be done by virtue hereof.

/s/ Julia B. North

Julia B. North

Dated: October 26, 2009

EXHIBIT 31(a)

I, Vernon J. Nagel, certify that:

1. I have reviewed this annual report on Form 10-K of Acuity Brands, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2009

/s/ Vernon J. Nagel
Vernon J. Nagel
Chairman, President, and Chief Executive Officer

[A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act has been provided to Acuity Brands, Inc. and will be retained by Acuity Brands, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]

EXHIBIT 31(b)

I, Richard K. Reece, certify that:

1. I have reviewed this annual report on Form 10-K of Acuity Brands, Inc.;
2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures as defined in Exchange Act Rules 13a-15(e) and 15d-15(e) and internal control over financial reporting as defined in Exchange Act Rules 13a-15(f) and 15d-15(f) for the registrant and have:
   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   (c) Evaluated the effectiveness of the registrant's disclosure controls and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's fourth fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 29, 2009

/s/ Richard K. Reece
Richard K. Reece
Executive Vice President and Chief Financial Officer

[A signed original of this written statement required by Section 302 of the Sarbanes-Oxley Act has been provided to Acuity Brands, Inc. and will be retained by Acuity Brands, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]

Exhibit 32(a)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and in connection with the Annual Report on Form 10-K of Acuity Brands, Inc. (the “Corporation”) for the year ended August 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), the undersigned, the Chairman, President, and Chief Executive Officer of the Corporation, certifies that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

/s/ Vernon J. Nagel
Vernon J. Nagel
Chairman, President, and Chief Executive Officer
October 29, 2009

[A signed original of this written statement required by Section 906 has been provided to Acuity Brands, Inc. and will be retained by Acuity Brands, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]

Exhibit 32(b)

**CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906 OF THE
SARBANES-OXLEY ACT OF 2002**

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and in connection with the Annual Report on Form 10-K of Acuity Brands, Inc. (the "Corporation") for the year ended August 31, 2009, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, the Executive Vice President and Chief Financial Officer of the Corporation, certifies that:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

/s/ Richard K. Reece
Richard K. Reece
Executive Vice President and Chief Financial Officer
October 29, 2009

[A signed original of this written statement required by Section 906 has been provided to Acuity Brands, Inc. and will be retained by Acuity Brands, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.]