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

Form 10-Q

(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended November 30, 2014.**

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)*

**1170 Peachtree Street, N.E., Suite 2300,
Atlanta, Georgia**

(Address of principal executive offices)

58-2632672

*(I.R.S. Employer
Identification Number)*

30309-7676

(Zip Code)

(404) 853-1400

(Registrant's telephone number, including area code)

None

(Former Name, Former Address and Former Fiscal Year, if Changed Since Last Report)

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 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

(Do not check if a 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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common stock — \$0.01 par value — 43,368,808 shares as of January 5, 2015.

ACUITY BRANDS, INC.

Table of Contents

	<u>Page No.</u>
<u>Part I. FINANCIAL INFORMATION</u>	
<u>ITEM 1. FINANCIAL STATEMENTS</u>	
<u>CONSOLIDATED BALANCE SHEETS -- NOVEMBER 30, 2014 (Unaudited) AND AUGUST 31, 2014</u>	<u>3</u>
<u>CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited) -- THREE MONTHS ENDED NOVEMBER 30, 2014 AND 2013</u>	<u>4</u>
<u>CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited) -- THREE MONTHS ENDED NOVEMBER 30, 2014 AND 2013</u>	<u>5</u>
<u>NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)</u>	<u>6</u>
<u>ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS</u>	<u>21</u>
<u>ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK</u>	<u>27</u>
<u>ITEM 4. CONTROLS AND PROCEDURES</u>	<u>27</u>
<u>Part II. OTHER INFORMATION</u>	
<u>ITEM 1. LEGAL PROCEEDINGS</u>	<u>28</u>
<u>ITEM 1a. RISK FACTORS</u>	<u>28</u>
<u>ITEM 5. OTHER INFORMATION</u>	<u>28</u>
<u>ITEM 6. EXHIBITS</u>	<u>29</u>
<u>SIGNATURES</u>	<u>30</u>
EX-10(iii)A	
EX-31.A	
EX-31.B	
EX-32.A	
EX-32.B	
EX-101.INSTANCE DOCUMENT	
EX-101.SCHEMA DOCUMENT	
EX-101.CALCULATION LINKBASE DOCUMENT	
EX-101.LABELS LINKBASE DOCUMENT	
EX-101.PRESENTATION LINKBASE DOCUMENT	

PART I. FINANCIAL INFORMATION

Item 1. Financial Statement

ACUITY BRANDS, INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except share and per-share data)

	November 30, 2014	August 31, 2014
	(unaudited)	
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 583.0	\$ 552.5
Accounts receivable, less reserve for doubtful accounts of \$1.6 and \$1.9 as of November 30, 2014 and August 31, 2014, respectively	371.8	373.4
Inventories	214.2	212.0
Deferred income taxes	20.8	21.5
Prepayments and other current assets	35.7	27.3
Total Current Assets	1,225.5	1,186.7
Property, Plant, and Equipment, at cost:		
Land	7.3	7.8
Buildings and leasehold improvements	115.8	116.0
Machinery and equipment	390.4	375.8
Total Property, Plant, and Equipment	513.5	499.6
Less — Accumulated depreciation and amortization	352.8	347.1
Property, Plant, and Equipment, net	160.7	152.5
Other Assets:		
Goodwill	567.9	569.4
Intangible assets, net	227.6	231.6
Deferred income taxes	3.4	3.0
Other long-term assets	21.0	24.9
Total Other Assets	819.9	828.9
Total Assets	\$ 2,206.1	\$ 2,168.1
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 277.5	\$ 287.4
Accrued compensation	41.1	54.8
Accrued pension liabilities, current	1.2	1.2
Other accrued liabilities	133.8	127.1
Total Current Liabilities	453.6	470.5
Long-Term Debt	353.6	353.6
Accrued Pension Liabilities, less current portion	62.1	65.1
Deferred Income Taxes	58.4	58.4
Self-Insurance Reserves, less current portion	7.2	6.8
Other Long-Term Liabilities	60.5	50.2
Total Liabilities	995.4	1,004.6
Commitments and Contingencies (see <i>Commitments and Contingencies</i> footnote)		
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; 52,824,677 issued and 43,105,422 outstanding at November 30, 2014; 52,581,917 issued and 42,862,662 outstanding at August 31, 2014	0.5	0.5
Paid-in capital	770.5	761.5
Retained earnings	939.1	893.6
Accumulated other comprehensive loss	(79.2)	(71.9)
Treasury stock, at cost, 9,719,255 shares at November 30, 2014 and August 31, 2014	(420.2)	(420.2)
Total Stockholders' Equity	1,210.7	1,163.5
Total Liabilities and Stockholders' Equity	\$ 2,206.1	\$ 2,168.1

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

ACUITY BRANDS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (Unaudited)
(In millions, except per-share data)

	Three Months Ended	
	November 30, 2014	November 30, 2013
Net Sales	\$ 647.4	\$ 574.7
Cost of Products Sold	374.4	337.6
Gross Profit	273.0	237.1
Selling, Distribution, and Administrative Expenses	176.3	159.7
Special Charge	10.0	—
Operating Profit	86.7	77.4
Other Expense/(Income):		
Interest Expense, net	7.9	8.0
Miscellaneous (Income)/Expense, net	(0.9)	0.6
Total Other Expense	7.0	8.6
Income before Provision for Income Taxes	79.7	68.8
Provision for Income Taxes	28.6	24.3
Net Income	\$ 51.1	\$ 44.5
Earnings Per Share:		
Basic Earnings per Share	\$ 1.18	\$ 1.03
Basic Weighted Average Number of Shares Outstanding	43.0	42.6
Diluted Earnings per Share	\$ 1.17	\$ 1.03
Diluted Weighted Average Number of Shares Outstanding	43.3	42.9
Dividends Declared per Share	\$ 0.13	\$ 0.13
Comprehensive Income:		
Net Income	\$ 51.1	\$ 44.5
Other Comprehensive Income/(Expense) Items:		
Foreign currency translation adjustments	(7.2)	2.3
Defined benefit pension plans, net of tax	(0.1)	0.6
Other Comprehensive Income/(Expense), net of tax	(7.3)	2.9
Comprehensive Income	\$ 43.8	\$ 47.4

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

ACUITY BRANDS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)
(In millions)

	Three Months Ended	
	November 30,	
	2014	2013
Cash Provided by/(Used for) Operating Activities:		
Net income	\$ 51.1	\$ 44.5
Adjustments to reconcile net income to net cash provided by (used for) operating activities:		
Depreciation and amortization	11.3	10.6
Share-based compensation expense	4.1	4.5
Excess tax benefits from share-based payments	(9.2)	(5.2)
Deferred income taxes	0.4	0.8
Change in assets and liabilities, net of effect of acquisitions, divestitures, and effect of exchange rate changes:		
Accounts receivable	(0.7)	(14.0)
Inventories	(2.9)	(5.0)
Prepayments and other current assets	(8.8)	(4.7)
Accounts payable	(8.8)	(5.4)
Other current liabilities	6.7	19.8
Other	3.5	(2.5)
Net Cash Provided by Operating Activities	46.7	43.4
Cash Provided by/(Used for) Investing Activities:		
Purchases of property, plant, and equipment	(18.5)	(8.5)
Proceeds from sale of property, plant, and equipment	—	0.9
Net Cash Used for Investing Activities	(18.5)	(7.6)
Cash Provided by/(Used for) Financing Activities:		
Proceeds from stock option exercises and other	4.9	2.6
Excess tax benefits from share-based payments	9.2	5.2
Dividends paid	(5.6)	(5.6)
Other financing activities	(3.2)	—
Net Cash Provided by Financing Activities	5.3	2.2
Effect of Exchange Rate Changes on Cash	(3.0)	1.0
Net Change in Cash and Cash Equivalents	30.5	39.0
Cash and Cash Equivalents at Beginning of Period	552.5	359.1
Cash and Cash Equivalents at End of Period	\$ 583.0	\$ 398.1
Supplemental Cash Flow Information:		
Income taxes paid during the period	\$ 17.1	\$ 13.4
Interest paid during the period	\$ 10.7	\$ 10.5

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

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)
(Amounts in millions, except per-share data and as indicated)

1. Description of Business and Basis of Presentation

Acuity Brands, Inc. (“Acuity Brands”) is the parent company of Acuity Brands Lighting, Inc. (“ABL”) and other subsidiaries (Acuity Brands, ABL, and such other subsidiaries are collectively referred to herein as the “Company”). The Company designs, produces, and distributes a broad array of lighting solutions and services for commercial, institutional, industrial, infrastructure, and residential applications for various markets throughout North America and select international markets. The Company’s lighting solutions include devices such as luminaires, lighting controls, power supplies, prismatic skylights, light-emitting diode (“LED”) lamps and drivers, and integrated lighting systems for indoor and outdoor applications utilizing a combination of light sources, including daylight, and other devices controlled by software that monitors and manages light levels while optimizing energy consumption (collectively referred to herein as “lighting solutions”). The Company has one operating segment serving the North American lighting market and select international markets.

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. References made to years are for fiscal year periods.

These unaudited interim consolidated financial statements reflect all normal and recurring adjustments which are, in the opinion of management, necessary to present fairly the Company’s consolidated financial position as of November 30, 2014, the consolidated statements of comprehensive income for the three months ended November 30, 2014 and 2013, and the consolidated cash flows for the three months ended November 30, 2014 and 2013. Certain information and footnote disclosures normally included in the Company’s annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. However, the Company believes that the disclosures included herein are adequate to make the information presented not misleading. These financial statements should be read in conjunction with the audited consolidated financial statements of the Company as of and for the three years ended August 31, 2014 and notes thereto included in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (the “SEC”) on October 29, 2014 (File No. 001-16583) (“Form 10-K”).

The results of operations for the three months ended November 30, 2014 and 2013 are not necessarily indicative of the results to be expected for the full fiscal year because the net sales and net income of the Company historically have been higher in the second half of its fiscal year and because, among other reasons, the continued uncertainty of general economic conditions that may impact the key end markets of the Company for the remainder of fiscal 2015.

2. Significant Accounting Policies

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.

Reclassifications

Certain prior-period amounts have been reclassified to conform to the current year presentation. No material reclassifications occurred during the current period.

3. New Accounting Pronouncements

Accounting Standards Adopted in Fiscal 2015

In March 2013, the FASB issued ASU No. 2013-05, *Foreign Currency Matters (Topic 830): Parent’s Accounting for the Cumulative Translation Adjustment upon Derecognition of Certain Subsidiaries or Groups of Assets within a Foreign Entity or of an Investment in a Foreign Entity (a consensus of the FASB Emerging Issues Task Force)* (“ASU 2013-05”), which applies to the release of the cumulative translation adjustment into net income when a parent either sells a part or all of its investment in a foreign entity or no longer holds a controlling financial interest in a subsidiary or group of assets that is a business (other than a sale of in substance real estate or conveyance of oil and gas mineral rights) within a foreign entity. ASU 2013-05 is effective prospectively

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

for fiscal years (and interim reporting periods within those years) beginning after December 15, 2013. The provisions of ASU 2013-05 did not have a material effect on the Company's financial condition, results of operations, or cash flows.

In July 2013, the FASB issued ASU No. 2013-11, *Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (a consensus of the FASB Emerging Issues Task Force)* ("ASU 2013-11"), which applies to the presentation of unrecognized tax benefits as a liability on the balance sheet when a net operating loss carryforward, a similar tax loss, or a tax credit carryforward is not available at the reporting date under the tax law of the applicable jurisdiction to settle any additional income taxes that would result from the disallowance of a tax position or the tax law of the applicable jurisdiction does not require the entity to use, and the entity does not intend to use, the deferred tax asset for such purpose. ASU 2013-11 is effective prospectively for fiscal years (and interim reporting periods within those years) beginning after December 15, 2013. The provisions of ASU 2013-11 did not have a material effect on the Company's financial condition, results of operations, or cash flows.

Accounting Standards Yet to Be Adopted

In May 2014, the FASB issued ASU No. 2014-09, *Revenue From Contracts With Customers* ("ASU 2014-09"), which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. ASU 2014-09 is effective for fiscal years (and interim reporting periods within those years) beginning after December 15, 2016. The Company is currently evaluating the impact of the provisions of ASU 2014-09.

4. Fair Value Measurements

The Company determines fair value measurements based on the assumptions a market participant would use in pricing the asset or liability. ASC Topic 820, *Fair Value Measurements and Disclosures* ("ASC 820"), establishes 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 and measured on a recurring basis as of November 30, 2014 and August 31, 2014:

	Fair Value Measurements as of:							
	November 30, 2014				August 31, 2014			
	Level 1	Level 2	Level 3	Total Fair Value	Level 1	Level 2	Level 3	Total Fair Value
Assets:								
Cash and cash equivalents	\$ 583.0	\$ —	\$ —	\$ 583.0	\$ 552.5	\$ —	\$ —	\$ 552.5
Other	0.6	—	—	0.6	0.6	—	—	0.6
Liabilities:								
Other	\$ 0.6	\$ —	\$ 8.5	\$ 9.1	\$ 0.6	\$ —	\$ 11.6	\$ 12.2

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 ASC 820. 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 Company used the following valuation methods and assumptions in estimating the fair value of the following assets and liabilities:

The fair value of Level 1 assets and liabilities is determined based on quoted market prices.

The fair value of Level 3 liabilities is estimated using a discounted cash flow technique with significant inputs that are not observable in the market, appropriately discounted considering the uncertainties associated with the obligation. Changes in these inputs, including probability assessments or the discount rate, could result in a higher or lower fair value measurement. Any reasonably likely change in the assumptions used in the analysis would not result in a material change to the fair value of these liabilities.

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

No transfers between the levels of the fair value hierarchy occurred during the current fiscal period. In the event of a transfer in or out of a level within the fair value hierarchy, the transfers would be recognized on the date of occurrence.

The Company's Level 3 liabilities consist of certain acquisition-related liabilities. The change in these liabilities during fiscal 2015 was due to a \$3.2 decrease from payments, a \$0.7 increase in the estimated fair value, and a \$0.6 decrease due to currency rate fluctuations in the period. The expense associated with the change in the estimated fair value was included in *Selling, Distribution, and Administrative Expenses* within the *Consolidated Statements of Comprehensive Income*.

Disclosures of fair value information about financial instruments (whether or not recognized in the balance sheet), for which it is practicable to estimate that value, are required each reporting period in addition to any financial instruments carried at fair value on a recurring basis as prescribed by ASC Topic 825, *Financial Instruments* ("ASC 825"). In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows.

The carrying values and estimated fair values of certain of the Company's financial instruments were as follows at November 30, 2014 and August 31, 2014:

	November 30, 2014		August 31, 2014	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Liabilities:				
Senior unsecured public notes, net of unamortized discount	\$ 349.6	\$ 392.2	\$ 349.6	\$ 391.2
Industrial revenue bond	4.0	4.0	4.0	4.0

The senior unsecured public notes are carried at the outstanding balance, net of bond discounts, as of the end of the reporting period. Fair value is estimated based on discounted future cash flows using rates currently available for debt of similar terms and maturity (Level 2).

The tax-exempt industrial revenue bond is carried at the outstanding balance as of the end of the reporting period. The industrial revenue bond is a variable-rate instrument that resets on a weekly basis; therefore, the Company estimates that the face amount of the bond approximates fair value as of November 30, 2014 based on bonds of similar terms and maturity (Level 2).

ASC 825 excludes certain financial instruments and all nonfinancial instruments from its disclosure requirements. Accordingly, the aggregate fair value amounts presented do not represent the underlying value to the Company. In many cases, the fair value estimates cannot be substantiated by comparison to independent markets, nor can the disclosed value be realized in immediate settlement of the instruments. In evaluating the Company's management of liquidity and other risks, the fair values of all assets and liabilities should be taken into consideration, not only those presented above.

5. Goodwill and Intangible Assets

Through multiple acquisitions, the Company acquired intangible assets consisting primarily of trademarks and trade names associated with specific products with finite lives, definite-lived distribution networks, patented technology, non-compete agreements, and customer relationships, which are amortized over their estimated useful lives. Indefinite-lived intangible assets consist of trade names that are expected to generate cash flows indefinitely.

The Company recorded amortization expense of \$2.8 and \$2.7 related to intangible assets with finite lives during the three months ended November 30, 2014 and 2013, respectively. Amortization expense is generally recorded on a straight-line basis and is expected to be approximately \$11.1 in fiscal 2015, \$10.5 in fiscal 2016, \$10.2 in fiscal 2017, \$10.2 in fiscal 2018, and \$10.1 in fiscal 2019.

The change in the carrying amount of goodwill during the three months ended November 30, 2014 is due to foreign currency translation adjustments. Further discussion of the Company's goodwill and other intangible assets is included within the *Significant Accounting Policies* footnote of the *Notes to Consolidated Financial Statements* within the Company's Form 10-K.

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

6. Inventories

Inventories include materials, labor, in-bound freight, 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:

	November 30, 2014	August 31, 2014
Raw materials, supplies, and work in process ⁽¹⁾	\$ 126.5	\$ 125.7
Finished goods	99.9	97.6
	<u>226.4</u>	<u>223.3</u>
Less: Reserves	(12.2)	(11.3)
Total Inventory	<u>\$ 214.2</u>	<u>\$ 212.0</u>

⁽¹⁾ Due to the immaterial amount of estimated work in process and the short lead times for the conversion of raw materials to finished goods, the Company does not believe the segregation of raw materials and work in process to be meaningful information.

7. Earnings Per Share

Basic earnings per share is computed by dividing net earnings available to common stockholders by the weighted average number of common shares outstanding, which has been modified to include the effects of all participating securities (unvested share-based payment awards with a right to receive nonforfeitable dividends) as prescribed by the two-class method under ASC Topic 260, *Earnings Per Share* ("ASC 260"), during the period. The new equity plan approved in January 2013 changed the dividend provisions causing share-based payment awards to lose the right to receive nonforfeitable dividends. Due to this change, any shares granted after January 2013 are not participating securities as prescribed by the two-class method under ASC 260 and are accounted for in the diluted earnings per share calculation described below.

Diluted earnings per share is computed similarly but reflects the potential dilution that would occur if dilutive options were exercised, restricted stock awards (unvested share-based payment awards without a right to receive nonforfeitable dividends) were vested, and other distributions related to deferred stock agreements were incurred. Stock options of approximately 76,617 and 29,974 for the three months ended November 30, 2014 and 2013, respectively, were excluded from the diluted earnings per share calculation as the effect of inclusion would have been antidilutive. Restricted stock of approximately 37,429 and 33,807 for the three months ended November 30, 2014 and 2013, respectively, were excluded from the diluted earnings per share calculation as the effect of inclusion would have been antidilutive. Further discussion of the Company's stock options and restricted stock awards is included within the *Common Stock and Related Matters* and *Share-Based Payments* footnotes of the *Notes to Consolidated Financial Statements* within the Company's Form 10-K.

The following table calculates basic earnings per common share and diluted earnings per common share for the three months ended November 30, 2014 and 2013:

	Three Months Ended	
	November 30, 2014	November 30, 2013
Basic Earnings per Share:		
Net income	\$ 51.1	\$ 44.5
Less: Income attributable to participating securities	(0.3)	(0.5)
Net income available to common shareholders	<u>\$ 50.8</u>	<u>\$ 44.0</u>
Basic weighted average shares outstanding	<u>43.0</u>	<u>42.6</u>
Basic earnings per share	<u>\$ 1.18</u>	<u>\$ 1.03</u>
Diluted Earnings per Share:		
Net income	\$ 51.1	\$ 44.5
Less: Income attributable to participating securities	(0.3)	(0.5)
Net income available to common shareholders	<u>\$ 50.8</u>	<u>\$ 44.0</u>
Basic weighted average shares outstanding	<u>43.0</u>	<u>42.6</u>
Common stock equivalents	0.3	0.3
Diluted weighted average shares outstanding	<u>43.3</u>	<u>42.9</u>
Diluted earnings per share	<u>\$ 1.17</u>	<u>\$ 1.03</u>

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

8. Comprehensive Income

Comprehensive income represents a measure of all changes in equity that result from recognized transactions and other economic events other than transactions with owners in their capacity as owners. Other comprehensive income for the Company includes foreign currency translation and pension adjustments.

The following table presents the changes in each component of accumulated other comprehensive loss:

	Foreign Currency Items	Defined Benefit Pension Plans	Accumulated Other Comprehensive Loss Items
Balance at August 31, 2014	\$ (18.1)	\$ (53.8)	\$ (71.9)
Other Comprehensive Income/(Expense) before reclassifications	(7.2)	(1.0)	(8.2)
Amounts reclassified from accumulated other comprehensive income	—	0.9	0.9
Net current-period Other Comprehensive Income/(Expense)	(7.2)	(0.1)	(7.3)
Balance at November 30, 2014	<u>\$ (25.3)</u>	<u>\$ (53.9)</u>	<u>\$ (79.2)</u>

The following table presents the tax (expense)/benefit allocated to each component of other comprehensive income/(expense) for the three months ended November 30, 2014 and 2013:

	Three Months Ended					
	November 30, 2014			November 30, 2013		
	Before Tax Amount	Tax (Expense) or Benefit	Net of Tax Amount	Before Tax Amount	Tax (Expense) or Benefit	Net of Tax Amount
Foreign Currency Translation Adjustments	\$ (7.2)	\$ —	\$ (7.2)	\$ 2.3	\$ —	\$ 2.3
Defined Benefit Pension Plans:						
Actuarial gain or loss	(1.3)	0.3	(1.0)	—	—	—
Amortization of defined benefit pension items:						
Prior service cost	0.2 ⁽¹⁾	(0.1)	0.1	0.2 ⁽¹⁾	(0.1)	0.1
Actuarial losses	1.1 ⁽¹⁾	(0.3)	0.8	0.8 ⁽¹⁾	(0.3)	0.5
Total Defined Benefit Pension Plans, net	—	(0.1)	(0.1)	1.0	(0.4)	0.6
Other Comprehensive Income/(Expense)	<u>\$ (7.2)</u>	<u>\$ (0.1)</u>	<u>\$ (7.3)</u>	<u>\$ 3.3</u>	<u>\$ (0.4)</u>	<u>\$ 2.9</u>

⁽¹⁾ These accumulated other comprehensive income components are included in net periodic pension cost. See *Pension and Profit Sharing Plans* footnote within the *Notes to Consolidated Financial Statements* for additional details.

9. Debt

Lines of Credit

On August 27, 2014, the Company executed a new \$250.0 revolving credit facility (the "Revolving Credit Facility"). The Revolving Credit Facility replaced the Company's prior \$250.0 revolving credit facility, which was scheduled to mature on January 31, 2017. The Revolving Credit Facility will mature and all amounts outstanding will be due and payable on August 27, 2019.

The Revolving Credit Facility contains financial covenants, including a minimum interest coverage ratio ("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 and a Minimum Interest Coverage Ratio of 2.50, subject to certain conditions defined in the financing agreement. The Company was in compliance with all financial covenants under the Revolving Credit Facility as of November 30, 2014. At November 30, 2014, the Company had additional borrowing capacity under the Revolving Credit Facility of \$243.8 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 \$6.2 issued under the Revolving Credit Facility. As of November 30, 2014, the Company had outstanding letters of credit totaling \$10.4, primarily for securing collateral requirements under the casualty insurance programs

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

for Acuity Brands and providing credit support for the Company's industrial revenue bond, including \$6.2 issued under the Revolving Credit Facility.

Generally, amounts outstanding under the Revolving Credit Facility bear interest at a "Eurocurrency Rate." Eurocurrency Rate advances can be denominated in a variety of currencies, including U.S. Dollars, and amounts outstanding bear interest at a periodic fixed rate equal to the London Inter Bank Offered Rate ("LIBOR") for the applicable currency plus a margin as determined by the Company's leverage ratio ("Applicable Margin"). The Applicable Margin is based on the Company's leverage ratio, as defined in the Revolving Credit Facility, with such margin ranging from 1.000% to 1.575%.

The Company is required to pay certain fees in connection with the Revolving Credit Facility, including administrative service fees and an annual facility fee. The annual facility fee is payable quarterly in arrears and is determined by the Company's leverage ratio as defined in the Revolving Credit Facility. This facility fee ranges from 0.125% to 0.300% of the aggregate \$250.0 commitment of the lenders under the Revolving Credit Facility.

Notes

At November 30, 2014, the Company had \$350.0 of publicly-traded, senior unsecured notes outstanding at a 6% interest rate that are scheduled to mature in December 2019 (the "Notes") and \$4.0 of tax-exempt industrial revenue bonds that are scheduled to mature in 2021. Further discussion of the Company's debt is included within the *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* within the Company's Form 10-K.

Interest Expense

Interest expense, net, is comprised primarily of interest expense on long-term debt, obligations in connection with non-qualified retirement benefits, and Revolving Credit Facility borrowings partially offset by interest income on cash and cash equivalents.

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

	Three Months Ended	
	November 30, 2014	November 30, 2013
Interest expense	\$ 8.1	\$ 8.1
Interest income	(0.2)	(0.1)
Interest expense, net	\$ 7.9	\$ 8.0

10. Commitments and Contingencies

In the normal course of business, the Company is subject to the effects of certain contractual stipulations, events, transactions, and laws and regulations that may, at times, require the recognition of liabilities, such as those related to self-insurance reserves and claims, legal and contractual issues, environmental laws and regulations, guarantees, and indemnities. The Company establishes reserves when the associated costs related to uncertainties or guarantees become probable and can be reasonably estimated. For the period ended November 30, 2014, no material changes have occurred in the Company's reserves for self-insurance, litigation, environmental matters, guarantees and indemnities, or relevant events and circumstances, from those disclosed in the *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* within the Company's Form 10-K.

Product Warranty and Related Issues

Acuity Brands records an allowance for the estimated amount of future warranty costs when the related revenue is recognized. Estimated costs related to product recalls based on a formal campaign soliciting repair or return of that product are accrued when they are deemed to be probable and can be reasonably estimated. Estimated future warranty and recall costs are primarily based on historical experience of identified warranty and recall claims. However, there can be no assurance that future warranty or recall costs will not exceed historical amounts or new technology products, which may include extended warranties, may not generate unexpected costs. If actual future warranty or recall 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.

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Reserves for product warranty and related issues are included in *Other accrued liabilities* on the *Consolidated Balance Sheets*. The changes in the reserves for product warranty and related issues during the three months ended November 30, 2014 and 2013 are summarized as follows:

	Three Months Ended	
	November 30,	
	2014	2013
Beginning of period	\$ 8.5	\$ 5.9
Warranty and recall costs	3.0	4.4
Payments and other deductions	(3.3)	(3.8)
End of period	<u>\$ 8.2</u>	<u>\$ 6.5</u>

Amounts included in the table above for fiscal 2014 were adjusted to include certain warranty and recall costs as well as payments and other deductions primarily for products or components shipped to customers at no charge and labor costs to satisfy the product warranty and recall obligations of the Company.

Litigation

The Company is subject to various legal claims arising in the normal course of business, including patent infringement and product recall claims. 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 the Company. 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 the Company in future periods. The Company establishes reserves for legal claims when associated costs 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.

11. Share-Based Payments

The Company accounts for share-based payments through the measurement and recognition of compensation expense for share-based payment awards made to employees and directors of the Company, including stock options and restricted shares (all part of the Company's equity incentive plan), and share units representing certain deferrals into the Company's director deferred compensation plan or the Company's supplemental deferred savings plan. Each of these award programs is more fully discussed within the Company's Form 10-K. The Company recorded \$4.1 and \$4.5 of share-based expense for the three months ended November 30, 2014 and 2013, respectively. Benefits of tax deductions in excess of recognized share-based compensation cost are reported as a financing cash flow and were \$9.2 and \$5.2 for the three months ended November 30, 2014 and 2013, respectively. New shares issued upon exercise of stock options were 123,857 and 52,727 for the three months ended November 30, 2014 and 2013, respectively.

Further details regarding the Company's share-based payments are included within the *Share-Based Payments* footnote of the *Notes to Consolidated Financial Statements* within the Company's Form 10-K.

12. Pension and Profit Sharing Plans

The Company 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. Plan assets are invested primarily in equity and fixed income securities.

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

Net periodic pension cost for the Company's defined benefit pension plans during the three months ended November 30, 2014 and 2013 included the following components before tax:

	Three Months Ended	
	November 30, 2014	November 30, 2013
Service cost	\$ 0.8	\$ 0.6
Interest cost	2.1	2.2
Expected return on plan assets	(2.8)	(2.5)
Amortization of prior service cost	0.2	0.2
Recognized actuarial loss	1.1	0.8
Net periodic pension cost	<u>\$ 1.4</u>	<u>\$ 1.3</u>

13. Special Charge

Fiscal 2013 Actions

During fiscal 2013, the Company continued efforts to streamline the organization through the planned closure of certain production facilities as well as the realignment of responsibilities primarily within various selling, distribution, and administrative departments. These actions allowed the Company to reduce costs and enhance customer service capabilities, while permitting continued investment in future growth initiatives, such as new products, expanded market presence, and technology and innovation.

During fiscal 2013, the Company recorded a pre-tax special charge of \$7.8 consisting of severance and employee-related costs of \$7.6 and lease termination costs of \$0.2, which were included in *Special Charge* in the *Consolidated Statements of Comprehensive Income*. During fiscal 2014, the Company recognized a reversal of pre-tax special charges of \$0.2 due primarily to lower-than-anticipated costs related to severance and employee-related expenses of \$0.6 partially offset by production transfer costs of \$0.4. During fiscal 2015, the Company recognized a reversal of pre-tax special charges of \$0.1 due primarily to lower-than-anticipated costs related to severance and employee-related expenses.

Fiscal 2015 Actions

During fiscal 2015, the Company continued efforts to streamline the organization by realigning certain responsibilities primarily within various selling, distribution, and administrative departments and the consolidation of certain production activities. The Company expects that these actions to streamline its business activities, in addition to those taken in previous fiscal years, will allow it to reduce spending in certain areas while permitting continued investment in future growth initiatives, such as new products, expanded market presence, and technology and innovation. During fiscal 2015, the Company recorded a pre-tax special charge of \$10.1 consisting primarily of severance and employee-related costs.

As of November 30, 2014, remaining severance reserves were \$8.9 and are included in *Accrued Compensation* on the *Consolidated Balance Sheets*. The changes in the reserves related to these programs during the three months ended November 30, 2014 are summarized as follows:

	Fiscal 2013 Actions	Fiscal 2015 Actions	Total
Balance at August 31, 2014	\$ 0.8	\$ —	\$ 0.8
Special charge	(0.1)	10.1	10.0
Payments made during the period	(0.1)	(1.8)	(1.9)
Balance at November 30, 2014	<u>\$ 0.6</u>	<u>\$ 8.3</u>	<u>\$ 8.9</u>

14. Supplemental Guarantor Condensed Consolidating Financial Statements

In December 2009, ABL, the wholly-owned and principal operating subsidiary of the Company, refinanced the then current outstanding debt through the issuance of the Notes. See *Debt and Lines of Credit* footnote of the *Notes to Consolidated Financial Statements* within the Company's Form 10-K for further information.

In accordance with the registration rights agreement by and between ABL and the guarantors to the Notes and the initial purchasers of the Notes, ABL and the guarantors to the Notes filed a registration statement with the SEC for an offer to exchange the Notes for an issue of SEC-registered notes with identical terms. Due to the filing of the registration statement and offer to exchange, the Company determined the need for compliance with Rule 3-10 of SEC Regulation S-X ("Rule 3-10"). In lieu of providing separate audited financial statements for ABL and ABL IP Holding, the Company has included the accompanying Condensed Consolidating Financial Statements in accordance with Rule 3-10(d) of SEC Regulation S-X since the Notes are fully and unconditionally guaranteed by Acuity Brands and ABL IP Holding. The column marked "Parent" represents the financial condition, results of operations, and cash flows of Acuity Brands. The column marked "Subsidiary Issuer" represents the financial condition, results of operations, and cash flows of ABL. The column entitled "Subsidiary Guarantor" represents the financial condition, results of operations, and cash flows of ABL IP Holding. Lastly, the column listed as "Non-Guarantors" includes the financial condition, results of operations, and cash flows of the non-guarantor direct and indirect subsidiaries of Acuity Brands, which consist primarily of foreign subsidiaries. Eliminations were necessary in order to arrive at consolidated amounts. In addition, the equity method of accounting was used to calculate investments in subsidiaries. Accordingly, this basis of presentation is not intended to present our financial condition, results of operations, or cash flows for any purpose other than to comply with the specific requirements for parent-sub subsidiary guarantor reporting.

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

CONDENSED CONSOLIDATING BALANCE SHEETS

	November 30, 2014					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non- Guarantors	Consolidating Adjustments	Consolidated
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 538.8	\$ 6.2	\$ —	\$ 38.0	\$ —	\$ 583.0
Accounts receivable, net	—	324.4	—	47.4	—	371.8
Inventories	—	197.7	—	16.5	—	214.2
Other current assets	17.3	29.2	—	10.0	—	56.5
Total Current Assets	<u>556.1</u>	<u>557.5</u>	<u>—</u>	<u>111.9</u>	<u>—</u>	<u>1,225.5</u>
Property, Plant, and Equipment, net	0.3	122.3	—	38.1	—	160.7
Goodwill	—	524.2	2.7	41.0	—	567.9
Intangible assets, net	—	85.2	120.4	22.0	—	227.6
Deferred income taxes	30.8	—	—	3.1	(30.5)	3.4
Other long-term assets	1.2	17.2	—	2.6	—	21.0
Investments in and amounts due from subsidiaries	719.5	209.6	148.5	—	(1,077.6)	—
Total Assets	<u>\$ 1,307.9</u>	<u>\$ 1,516.0</u>	<u>\$ 271.6</u>	<u>\$ 218.7</u>	<u>\$ (1,108.1)</u>	<u>\$ 2,206.1</u>
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current Liabilities:						
Accounts payable	\$ 0.3	\$ 261.7	\$ —	\$ 15.5	\$ —	\$ 277.5
Other accrued liabilities	27.1	120.3	—	28.7	—	176.1
Total Current Liabilities	<u>27.4</u>	<u>382.0</u>	<u>—</u>	<u>44.2</u>	<u>—</u>	<u>453.6</u>
Long-Term Debt	—	353.6	—	—	—	353.6
Deferred Income Taxes	—	88.9	—	—	(30.5)	58.4
Other Long-Term Liabilities	69.8	35.6	—	24.4	—	129.8
Amounts due to affiliates	—	—	—	72.0	(72.0)	—
Total Stockholders' Equity	<u>1,210.7</u>	<u>655.9</u>	<u>271.6</u>	<u>78.1</u>	<u>(1,005.6)</u>	<u>1,210.7</u>
Total Liabilities and Stockholders' Equity	<u>\$ 1,307.9</u>	<u>\$ 1,516.0</u>	<u>\$ 271.6</u>	<u>\$ 218.7</u>	<u>\$ (1,108.1)</u>	<u>\$ 2,206.1</u>

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

CONDENSED CONSOLIDATING BALANCE SHEETS

	August 31, 2014					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non- Guarantors	Consolidating Adjustments	Consolidated
ASSETS						
Current Assets:						
Cash and cash equivalents	\$ 516.0	\$ 3.1	\$ —	\$ 33.4	\$ —	\$ 552.5
Accounts receivable, net	—	331.0	—	42.4	—	373.4
Inventories	—	196.8	—	15.2	—	212.0
Other current assets	9.4	31.6	—	7.8	—	48.8
Total Current Assets	525.4	562.5	—	98.8	—	1,186.7
Property, Plant, and Equipment, net	0.4	121.4	—	30.7	—	152.5
Goodwill	—	524.2	2.7	42.5	—	569.4
Intangible assets, net	—	86.6	121.5	23.5	—	231.6
Deferred income taxes	30.4	—	—	3.1	(30.5)	3.0
Other long-term assets	4.2	18.0	—	2.7	—	24.9
Investments in and amounts due from subsidiaries	692.6	130.2	142.3	—	(965.1)	—
Total Assets	<u>\$ 1,253.0</u>	<u>\$ 1,442.9</u>	<u>\$ 266.5</u>	<u>\$ 201.3</u>	<u>\$ (995.6)</u>	<u>\$ 2,168.1</u>
LIABILITIES AND STOCKHOLDERS' EQUITY						
Current Liabilities:						
Accounts payable	\$ 1.1	\$ 268.2	\$ —	\$ 18.1	\$ —	\$ 287.4
Other accrued liabilities	25.0	129.5	—	28.6	—	183.1
Total Current Liabilities	26.1	397.7	—	46.7	—	470.5
Long-Term Debt	—	353.6	—	—	—	353.6
Deferred Income Taxes	—	88.9	—	—	(30.5)	58.4
Other Long-Term Liabilities	63.4	34.4	—	24.3	—	122.1
Amounts due to affiliates	—	—	—	52.3	(52.3)	—
Total Stockholders' Equity	1,163.5	568.3	266.5	78.0	(912.8)	1,163.5
Total Liabilities and Stockholders' Equity	<u>\$ 1,253.0</u>	<u>\$ 1,442.9</u>	<u>\$ 266.5</u>	<u>\$ 201.3</u>	<u>\$ (995.6)</u>	<u>\$ 2,168.1</u>

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended November 30, 2014					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non-Guarantors	Consolidating Adjustments	Consolidated
Net Sales:						
External sales	\$ —	\$ 580.8	\$ —	\$ 66.6	\$ —	\$ 647.4
Intercompany sales	—	—	9.7	26.7	(36.4)	—
Total Sales	—	580.8	9.7	93.3	(36.4)	647.4
Cost of Products Sold	—	332.1	—	68.7	(26.4)	374.4
Gross Profit	—	248.7	9.7	24.6	(10.0)	273.0
Selling, Distribution, and Administrative Expenses	7.6	158.6	1.0	19.1	(10.0)	176.3
Intercompany charges	(0.8)	0.4	—	0.4	—	—
Special Charge	—	10.0	—	—	—	10.0
Operating Profit/(Loss)	(6.8)	79.7	8.7	5.1	—	86.7
Interest expense (income), net	2.6	5.4	—	(0.1)	—	7.9
Equity earnings in subsidiaries	(57.2)	(4.4)	—	—	61.6	—
Miscellaneous (income) expense, net	—	(0.5)	—	(0.4)	—	(0.9)
Income before Provision for Income Taxes	47.8	79.2	8.7	5.6	(61.6)	79.7
Provision/(Benefit) for Income Taxes	(3.3)	27.2	3.5	1.2	—	28.6
Net Income	\$ 51.1	\$ 52.0	\$ 5.2	\$ 4.4	\$ (61.6)	\$ 51.1
Other Comprehensive Income/(Expense) Items:						
Foreign Currency Translation Adjustments	(7.2)	(7.2)	—	—	7.2	(7.2)
Defined Benefit Pension Plans, net	(0.1)	0.4	—	(0.5)	0.1	(0.1)
Other Comprehensive Income/(Expense) Items, net of tax	(7.3)	(6.8)	—	(0.5)	7.3	(7.3)
Comprehensive Income/(Expense)	\$ 43.8	\$ 45.2	\$ 5.2	\$ 3.9	\$ (54.3)	\$ 43.8

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

CONDENSED CONSOLIDATING STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended November 30, 2013					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non- Guarantors	Consolidating Adjustments	Consolidated
Net Sales:						
External sales	\$ —	\$ 512.0	\$ —	\$ 62.7	\$ —	\$ 574.7
Intercompany sales	—	—	8.7	23.5	(32.2)	—
Total Sales	—	512.0	8.7	86.2	(32.2)	574.7
Cost of Products Sold	—	295.3	—	64.6	(22.3)	337.6
Gross Profit	—	216.7	8.7	21.6	(9.9)	237.1
Selling, Distribution, and Administrative Expenses	7.0	142.5	0.7	19.4	(9.9)	159.7
Intercompany charges	(0.8)	0.4	—	0.4	—	—
Special Charge	—	—	—	—	—	—
Operating Profit/(Loss)	(6.2)	73.8	8.0	1.8	—	77.4
Interest expense (income), net	2.5	5.5	—	—	—	8.0
Equity earnings in subsidiaries	(50.1)	(1.3)	—	—	51.4	—
Miscellaneous (income) expense, net	—	—	—	0.6	—	0.6
Income before Provision for Income Taxes	41.4	69.6	8.0	1.2	(51.4)	68.8
Provision/(Benefit) for Income Taxes	(3.1)	24.5	3.1	(0.2)	—	24.3
Net Income	\$ 44.5	\$ 45.1	\$ 4.9	\$ 1.4	\$ (51.4)	\$ 44.5
Other Comprehensive Income/(Expense) Items:						
Foreign Currency Translation Adjustments	2.3	2.3	—	—	(2.3)	2.3
Defined Benefit Pension Plans, net	0.6	0.3	—	0.2	(0.5)	0.6
Other Comprehensive Income/(Expense) Items, net of tax	2.9	2.6	—	0.2	(2.8)	2.9
Comprehensive Income/(Expense)	\$ 47.4	\$ 47.7	\$ 4.9	\$ 1.6	\$ (54.2)	\$ 47.4

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	Three Months Ended November 30, 2014					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non- Guarantors	Consolidating Adjustments	Consolidated
Net Cash Provided by Operating Activities	\$ 23.7	\$ 12.2	\$ —	\$ 10.8	\$ —	\$ 46.7
Cash Provided by (Used for) Investing Activities:						
Purchases of property, plant, and equipment	—	(8.3)	—	(10.2)	—	(18.5)
Investments in subsidiaries	(9.4)	—	—	—	9.4	—
Net Cash Used for Investing Activities	(9.4)	(8.3)	—	(10.2)	9.4	(18.5)
Cash Provided by (Used for) Financing Activities:						
Proceeds from stock option exercises and other	4.9	—	—	—	—	4.9
Excess tax benefits from share-based payments	9.2	—	—	—	—	9.2
Intercompany capital	—	—	—	9.4	(9.4)	—
Dividends paid	(5.6)	—	—	—	—	(5.6)
Other financing activities	—	—	—	(3.2)	—	(3.2)
Net Cash Provided by Financing Activities	8.5	—	—	6.2	(9.4)	5.3
Effect of Exchange Rate Changes on Cash	—	(0.8)	—	(2.2)	—	(3.0)
Net Change in Cash and Cash Equivalents	22.8	3.1	—	4.6	—	30.5
Cash and Cash Equivalents at Beginning of Period	516.0	3.1	—	33.4	—	552.5
Cash and Cash Equivalents at End of Period	\$ 538.8	\$ 6.2	\$ —	\$ 38.0	\$ —	\$ 583.0

ACUITY BRANDS, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Unaudited)

CONDENSED CONSOLIDATING STATEMENTS OF CASH FLOWS

	Three Months Ended November 30, 2013					
	Parent	Subsidiary Issuer	Subsidiary Guarantor	Non- Guarantors	Consolidating Adjustments	Consolidated
Net Cash Provided by Operating Activities	\$ 38.0	\$ 7.5	\$ —	\$ (2.1)	\$ —	\$ 43.4
Cash Provided by (Used for) Investing Activities:						
Purchases of property, plant, and equipment	—	(7.4)	—	(1.1)	—	(8.5)
Proceeds from sale of property, plant, and equipment	—	0.9	—	—	—	0.9
Net Cash Used for Investing Activities	—	(6.5)	—	(1.1)	—	(7.6)
Cash Provided by (Used for) Financing Activities:						
Proceeds from stock option exercises and other	2.6	—	—	—	—	2.6
Excess tax benefits from share-based payments	5.2	—	—	—	—	5.2
Dividends paid	(5.6)	—	—	—	—	(5.6)
Net Cash Provided by Financing Activities	2.2	—	—	—	—	2.2
Effect of Exchange Rate Changes on Cash	—	(0.1)	—	1.1	—	1.0
Net Change in Cash and Cash Equivalents	40.2	0.9	—	(2.1)	—	39.0
Cash and Cash Equivalents at Beginning of Period	331.0	0.8	—	27.3	—	359.1
Cash and Cash Equivalents at End of Period	\$ 371.2	\$ 1.7	\$ —	\$ 25.2	\$ —	\$ 398.1

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

(\$ in millions, except per-share data and as indicated)

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.

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, Inc. and its subsidiaries as of November 30, 2014 and for the three months ended November 30, 2014 and 2013. For a more complete understanding of this discussion, please read the *Notes to Consolidated Financial Statements* included in this report. Also, please refer to the Company's 2014 Annual Report on Form 10-K for the fiscal year ended August 31, 2014, filed with the Securities and Exchange Commission (the "SEC") on October 29, 2014 ("Form 10-K").

Overview

Company

Acuity Brands, Inc. ("Acuity Brands") is the parent company of Acuity Brands Lighting, Inc. ("ABL") and other subsidiaries (Acuity Brands, ABL, and such other subsidiaries are collectively referred to herein as the "Company"). The Company, with its principal office in Atlanta, Georgia, employs approximately 7,000 people worldwide.

The Company designs, produces, and distributes a broad array of lighting solutions, components, and services for commercial, institutional, industrial, infrastructure, and residential applications for various markets throughout North America and select international markets. The Company's lighting solutions include devices such as luminaires, lighting controls, power supplies, prismatic skylights, light-emitting diode ("LED") lamps and drivers, and integrated lighting systems for indoor and outdoor applications utilizing a combination of light sources, including daylight, and other devices controlled by software that monitors and manages light levels while optimizing energy consumption (collectively referred to herein as "lighting solutions"). The Company is one of the world's leading producers and distributors of lighting solutions, with a broad, highly configurable product offering, consisting of a diversified portfolio of lighting, controls, and daylighting brands. The Company integrates conventional and advanced solid-state lighting fixtures with digital controls and daylighting products to create greater energy efficiencies and higher quality of light for a broad and diverse customer base. As of November 30, 2014, the Company operates 16 manufacturing facilities and seven distribution facilities along with three warehouses to serve its extensive customer base.

Please refer to the *Description of Business and Basis of Presentation* footnote of the *Notes to Consolidated Financial Statements* for more information.

Liquidity and Capital Resources

The Company's principal sources of liquidity are operating cash flows generated primarily from its business operations, cash on hand, and various sources of borrowings. The ability of the Company to generate sufficient cash flow from operations or to access certain capital markets, including banks, is necessary to fund its operations and capital expenditures, pay dividends, meet its obligations as they become due, and 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. Short-term needs are expected to include funding operations as currently planned, making anticipated capital investments, paying quarterly stockholder dividends as currently anticipated, paying principal and interest on borrowings as currently scheduled, making required contributions to its employee benefit plans, funding potential acquisitions, and potentially repurchasing shares of its outstanding common stock as authorized by the Board of Directors (the "Board"). Two million shares of the Company's common stock are currently authorized and available for repurchase under an existing repurchase program. The Company expects to repurchase these shares on an opportunistic basis. The Company currently expects to invest approximately two percent of net sales during fiscal 2015 of which \$18.5 had been invested as of November 30, 2014, primarily for equipment, tooling, facility enhancements, and new and enhanced information technology capabilities. Additionally, management believes that the Company's cash flows from operations and sources of funding, including, but not limited to, borrowing capacity, will sufficiently support the long-term liquidity needs of the Company.

The Company operates five manufacturing facilities in Mexico which 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 exported from Mexico within a stipulated time frame. 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, which have become stricter in recent years. Certain new regulations required

to maintain compliance with the terms of the Maquiladora program are effective in January 2015. Failure to comply with these new regulations could have an adverse effect on the Company's financial position, results of operations, and cash flows.

Cash Flow

The Company uses available cash and cash flow from operations, as well as proceeds from the exercise of stock options, to fund operations and capital expenditures, repurchase common stock of the Company, fund acquisitions, and pay dividends.

The Company's cash position at November 30, 2014 was \$583.0, an increase of \$30.5 from August 31, 2014. Cash flow generated from operations and cash generated from stock issued under employee and director compensation plans during the period were partially used during the first three months of fiscal 2015 primarily to make capital expenditures of \$18.5 and pay dividends to stockholders of \$5.6.

The Company generated \$46.7 of cash flow from operating activities during the three months ended November 30, 2014 compared with \$43.4 in the prior-year period, an increase of \$3.3, due primarily to higher net income and lower operating working capital requirements partially offset by increased variable incentive compensation payments. Operating working capital (calculated by adding accounts receivable plus inventories, and subtracting accounts payable-net of acquisitions and the impact of foreign exchange rate changes) increased by approximately \$12.4 during the first three months of fiscal 2015 compared to an increase of approximately \$24.4 during the first three months of fiscal 2014 primarily as a result of the timing of payments from customers compared to the prior year period.

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 \$18.5 and \$8.5 in the first three months of fiscal 2015 and 2014, respectively, primarily related to investments in new equipment, tooling, and information technology. As noted above, the Company expects to invest approximately two percent of net sales primarily for equipment, tooling, facility enhancements, and new and enhanced information technology capabilities during fiscal 2015.

Capitalization

The current capital structure of the Company is comprised principally of senior unsecured notes and equity of its stockholders. As of November 30, 2014, total debt outstanding of \$353.6 remained substantially unchanged from August 31, 2014 and consisted primarily of fixed-rate obligations.

On August 27, 2014, the Company executed the Revolving Credit Facility with a borrowing capacity of \$250.0. The Revolving Credit Facility replaced the Company's prior \$250.0 revolving credit facility, which was scheduled to mature on January 31, 2017. The Revolving Credit Facility will mature and all amounts outstanding thereunder will be due and payable on August 27, 2019.

The Company was in compliance with all financial covenants under the Revolving Credit Facility as of November 30, 2014. At November 30, 2014, the Company had additional borrowing capacity under the Revolving Credit Facility of \$243.8 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 \$6.2 issued under the Revolving Credit Facility. As of November 30, 2014, the Company had outstanding letters of credit totaling \$10.4, primarily for securing collateral requirements under the casualty insurance programs for Acuity Brands and providing credit support for the Company's industrial revenue bond, including \$6.2 issued under the Revolving Credit Facility. See the *Debt* footnote of the *Notes to Consolidated Financial Statements*.

During the first three months of fiscal 2015, the Company's consolidated stockholders' equity increased \$47.2 to \$1,210.7 at November 30, 2014 from \$1,163.5 at August 31, 2014. The increase was due primarily to net income earned in the period, as well as amortization of stock-based compensation, stock issuances resulting primarily from the exercise of stock options, and amortization of pension plan prior service costs and actuarial losses partially offset by dividend payments and foreign currency translation adjustments. The Company's debt to total capitalization ratio (calculated by dividing total debt by the sum of total debt and total stockholders' equity) was 22.6% and 23.3% at November 30, 2014 and August 31, 2014, respectively. The ratio of debt, net of cash, to total capitalization, net of cash, was (23.4)% at November 30, 2014 and (20.6)% at August 31, 2014.

Dividends

Acuity Brands paid dividends on its common stock of \$5.6 (\$0.13 per share) during the three months ended November 30, 2014 and 2013. All decisions regarding the declaration and payment of dividends by Acuity Brands are at the discretion of the Board and are evaluated regularly in light of the Company's financial condition, earnings, growth prospects, funding requirements, applicable law, and any other factors the Board deems relevant.

Results of Operations

First Quarter of Fiscal 2015 Compared with First Quarter of Fiscal 2014

The following table sets forth information comparing the components of net income for the three months ended November 30, 2014 and 2013:

	Three Months Ended		Increase (Decrease)	Percent Change
	November 30, 2014	November 30, 2013		
Net Sales	\$ 647.4	\$ 574.7	\$ 72.7	12.7 %
Cost of Products Sold	374.4	337.6	36.8	10.9 %
Gross Profit	273.0	237.1	35.9	15.1 %
<i>Percent of net sales</i>	42.2%	41.3%	90 bps	
Selling, Distribution, and Administrative Expenses	176.3	159.7	16.6	10.4 %
Special Charge	10.0	—	10.0	NM
Operating Profit	86.7	77.4	9.3	12.0 %
<i>Percent of net sales</i>	13.4%	13.5%	(10) bps	
Other Expense (Income)				
Interest Expense, net	7.9	8.0	(0.1)	(1.3)%
Miscellaneous (Income)/Expense, net	(0.9)	0.6	(1.5)	(250.0)%
Total Other Expense	7.0	8.6	(1.6)	(18.6)%
Income before Provision for Income Taxes	79.7	68.8	10.9	15.8 %
<i>Percent of net sales</i>	12.3%	12.0%	30 bps	
Provision for Taxes	28.6	24.3	4.3	17.7 %
<i>Effective tax rate</i>	35.9%	35.3%		
Net Income	\$ 51.1	\$ 44.5	\$ 6.6	14.8 %
Diluted Earnings per Share	\$ 1.17	\$ 1.03	\$ 0.14	13.6 %

NM - not meaningful

Net sales were \$647.4 for the three months ended November 30, 2014 compared with \$574.7 reported for the three months ended November 30, 2013, an increase of \$72.7, or 12.7%. For the three months ended November 30, 2014, the Company reported net income of \$51.1, an increase of \$6.6, or 14.8%, compared with \$44.5 for the three months ended November 30, 2013. For the first quarter of fiscal 2015, diluted earnings per share increased to \$1.17 compared with \$1.03 reported in the year-ago period.

The following table reconciles certain U.S. GAAP financial measures to the corresponding non-U.S. GAAP measures referred to in the discussion of the Company's results of operations, which exclude restructuring charges associated primarily with continued efforts to streamline the organization and recoveries related to fraud at a freight service company. Although special charges related to efforts to improve overall Company efficiency have been recognized in prior periods and could recur in future periods, management typically excludes the impact of special charges during internal reviews of performance and uses these non-U.S. GAAP measures for baseline comparative operational analysis, decision making, and other activities. These non-U.S. GAAP financial measures, including adjusted selling, distribution, and administrative expenses and percent of net sales, adjusted operating profit and margin, adjusted net income, and adjusted diluted earnings per share, are provided to enhance the user's overall understanding of the Company's current financial performance. Specifically, the Company believes these non-U.S. GAAP measures provide greater comparability and enhanced visibility into the results of operations, excluding the impact of special charges and certain other expenses. The non-U.S. GAAP financial measures should be considered in addition to, and not as a substitute for or superior to, results prepared in accordance with U.S. GAAP.

	Three Months Ended		Increase (Decrease)	Percent Change
	November 30, 2014	November 30, 2013		
Selling, Distribution, and Administrative Expenses	\$ 176.3	\$ 159.7		
Add-back: Freight service provider fraud-related recovery	—	5.0		
Adjusted Selling, Distribution and Administrative Expenses	\$ 176.3	\$ 164.7	\$ 11.6	7.0%
<i>Percent of net sales</i>	<i>27.2%</i>	<i>28.7%</i>		<i>(150) bps</i>
Operating Profit	\$ 86.7	\$ 77.4		
Less: Freight service provider fraud-related recovery	—	(5.0)		
Add-back: Special charge	10.0	—		
Adjusted Operating Profit	\$ 96.7	\$ 72.4	\$ 24.3	33.6%
<i>Percent of net sales</i>	<i>14.9%</i>	<i>12.6%</i>		<i>230 bps</i>
Net Income	\$ 51.1	\$ 44.5		
Less: Freight service provider fraud-related recovery, net of tax	—	(3.1)		
Add-back: Special charge, net of tax	6.3	—		
Adjusted Net Income	\$ 57.4	\$ 41.4	\$ 16.0	38.6%
Diluted Earnings per Share	\$ 1.17	\$ 1.03		
Less: Freight service provider fraud-related recovery, net of tax	—	(0.07)		
Add-back: Special charge, net of tax	0.15	—		
Adjusted Diluted Earnings per Share	\$ 1.32	\$ 0.96	\$ 0.36	37.5%

Net Sales

Net sales for the three months ended November 30, 2014 increased 12.7% compared with the prior-year period due primarily to an above 14% increase in sales volume partially offset by unfavorable changes in product prices and the mix of products sold ("price/mix") of 1% and the unfavorable impact of foreign currency rate changes. Sales volume was higher across most product categories and key sales channels as the Company realized greater demand primarily for LED-based luminaires in the current quarter. Sales of LED-based products increased more than 70% compared to the year-ago period and represented approximately 42% of total net sales. The change in price/mix was due primarily to unfavorable pricing on LED luminaires, reflecting the decline in certain LED component costs, and to a lesser degree, changes in the mix of products sold. Due to the changing dynamics of the Company's product portfolio, including the increase of integrated lighting solutions as well as the proliferation of new products due to the adoption of solid-state lighting, it is not possible to precisely quantify volume nor precisely differentiate the individual components of price/mix.

Gross Profit

Gross profit for the first quarter of fiscal 2015 increased \$35.9, or 15.1%, to \$273.0 compared with \$237.1 in the prior-year period. Gross profit margin increased 90 basis points to 42.2% for the three months ended November 30, 2014 compared with 41.3% in the prior-year period. Gross profit was higher than the prior year due primarily to additional contribution on higher net sales and to a much lesser degree, lower material and component costs and improved manufacturing productivity. These items were partially offset by unfavorable price/mix and the unfavorable impact of foreign currency rate changes.

Operating Profit

Selling, Distribution, and Administrative ("SD&A") expenses for the three months ended November 30, 2014 were \$176.3 compared with \$159.7 in the prior-year period, an increase of \$16.6, or 10.4%. The increase in SD&A expenses was due primarily to higher costs to support the greater sales volume, including freight and commissions, and higher employee-related costs, including variable incentive compensation costs. SD&A expenses for the first quarter of fiscal 2015 were 27.2% of net sales compared with 27.8% for the prior-year period.

SD&A expenses for the three months ended November 30, 2014 were \$176.3 (27.2% of net sales) compared with adjusted SD&A expenses (excluding the freight service provider fraud-related recovery) of \$164.7 (28.7% of net sales) in the prior-year period.

During the three months ended November 30, 2014, the Company recorded a net pre-tax special charge of \$10.1 related primarily to the Company's continued efforts to streamline the organization by realigning certain responsibilities primarily within

various selling, distribution, and administrative departments and the consolidation of certain production activities. Further details regarding the Company's special charges are included in the *Special Charge* footnote of the *Notes to Consolidated Financial Statements*.

Operating profit for the first quarter of fiscal 2015 was \$86.7 compared with \$77.4 for the prior-year period, an increase of \$9.3, or 12.0%. The increase in operating profit was due primarily to higher gross profit, partially offset by increases in costs to support greater sales volume, special charges, and higher employee-related costs, including variable incentive compensation.

Adjusted operating profit (excluding the impact of special charges) increased by \$24.3, or 33.6%, to \$96.7 for the first quarter of fiscal 2015 compared with \$72.4 (excluding the freight service provider fraud-related recovery) for the first quarter of fiscal 2014. Adjusted operating profit margin (excluding the impact of special charges) increased 230 basis points to 14.9% for the first quarter of fiscal 2015 compared with adjusted operating profit margin (excluding the freight service provider fraud-related recovery) of 12.6% in the year-ago period.

Other Expense (Income)

Other expense (income) consists principally of net interest expense and net miscellaneous income/expense, which is comprised primarily of gains and losses associated with foreign currency-related transactions. Interest expense, net, was \$7.9 for the three months ended November 30, 2014 compared with \$8.0 for the three months ended November 30, 2013. The Company reported net miscellaneous income of \$0.9 in the first quarter of fiscal 2015 and net miscellaneous expense of \$0.6 in the first quarter of fiscal 2014.

Provision for Income Taxes and Net Income

The Company's effective income tax rate was 35.9% and 35.3% for the three months ended November 30, 2014 and 2013, respectively. The tax rate for the three months ended November 30, 2014 was impacted by unfavorable discrete items. The Company estimates that the effective tax rate for fiscal 2015 will be approximately 35.5% before any discrete items and if the rates in its taxing jurisdictions remain generally consistent throughout the year.

Net income for the first quarter of fiscal 2015 increased \$6.6 to \$51.1 from \$44.5 reported for the prior-year period. The increase in net income resulted primarily from higher operating profit and other income partially offset by a higher provision for income taxes. Diluted earnings per share for the three months ended November 30, 2014 increased \$0.14 to \$1.17 compared with diluted earnings per share of \$1.03 for the prior-year period.

Adjusted net income (excluding the impact of special charges) for the first quarter of fiscal 2015 was \$57.4 compared with \$41.4 of adjusted net income (excluding the freight service provider fraud-related recovery) in the prior-year period, which represented an increase of \$16.0, or 38.6%. Adjusted diluted earnings per share (excluding the impact of special charges) for the three months ended November 30, 2014 increased \$0.36, or 37.5%, to \$1.32 compared with adjusted diluted earnings per share (excluding the freight service provider fraud-related recovery) of \$0.96 for the prior-year period.

Outlook

Management believes that the execution of the Company's strategy will provide opportunities for continued profitable growth. The Company's strategy is to capitalize on market growth opportunities by continuing to expand and leverage its industry-leading lighting product and solutions portfolio combined with its extensive market presence and financial strength. Management continues to position the Company to optimize short-term performance while investing in and deploying resources for long-term profitable growth opportunities.

During the first quarter of fiscal 2015, the Company continued efforts to streamline the organization by realigning certain responsibilities primarily within various selling, distribution, and administrative departments and the consolidation of certain production activities. The Company recorded a pre-tax special charge of \$10.1 in the quarter. The special charge consisted primarily of severance and employee-related costs. Management expects to incur production transfer expenses and additional costs associated with these streamlining actions totaling approximately \$1.0 during the next two fiscal quarters. While management expects to achieve annual savings in fiscal 2015 in excess of these costs, management plans to reinvest a portion of these savings over the next twelve months in additional growth initiatives which require resources for further innovation, including talent with different skill sets. Management believes the Company will realize savings, net of investments, approximately equal to the amount of the total fiscal 2015 special charge.

The growth rate for the North American lighting market, which typically benefits from new construction as well as renovation and retrofit activity, is projected to be in the mid-to-upper single digit range for fiscal 2015 with continued gradual improvement over the next several years. Management currently believes that the Company will benefit from continued renovation and tenant

improvement projects, further expansion in underpenetrated geographies and channels, and growth from the introduction of new lighting products and solutions.

Additionally, the lighting industry continues to experience some volatility with respect to input costs. While some commodity costs have waned recently, others continue to rise. As the economy improves, management believes there is the potential for rising input costs. While management expects employee-related costs will continue to rise due to wage inflation and rising health care costs, management will continue to be vigilant in its pricing posture and productivity efforts to help offset rising costs. Management remains optimistic about the opportunities for solid profitable growth for fiscal 2015 and the foreseeable future and expects that the Company will be able to outperform the markets it serves while delivering performance more consistent with management's long-term financial objectives.

From a longer term perspective, management expects that its addressable markets will experience solid growth over the next decade, particularly as energy and environmental concerns come to the forefront. Management remains positive about the future prospects of the Company and its ability to continue to outperform the markets it serves.

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 *Consolidated Financial Statements*, which have been prepared in accordance with U.S. GAAP. As discussed in the *Description of Business and Basis of Presentation* footnote 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 revenue recognition; accounts receivable; inventory valuation; depreciation, amortization and the recoverability of long-lived assets, including goodwill and intangible assets; share-based compensation expense; medical, product warranty and recall, and other reserves; income taxes; retirement benefits; 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 of the Board.

There have been no material changes in the Company's critical accounting estimates during the current period. For a detailed discussion of significant accounting policies that may involve a higher degree of judgment, please refer to the Company's Form 10-K.

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, current and 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 the North American lighting market growth rate; (d) expectations about the impact of volatility and uncertainty in component and commodity costs and availability, and the Company's ability to manage those challenges, 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; (f) the Company's estimate of its fiscal 2015 annual tax rate; (g) the Company's future amortization expense; and (h) 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 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. Also, 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 the Company’s Form 10-K, and are specifically incorporated herein by reference.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

General. The Company is exposed to market risks that may impact its *Consolidated Balance Sheets, Consolidated Statements of Comprehensive Income, and Consolidated Statements of Cash Flows* due primarily to fluctuations in interest rates, foreign exchange rates, and commodity prices. There have been no material changes to the Company’s exposure from market risks from those disclosed in Part II, Item 7a of the Company’s Form 10-K.

Item 4. 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 of 1934, as amended (the “Exchange Act”), is recorded, processed, summarized, and reported within the time periods specified in the 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 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 November 30, 2014. 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 as of November 30, 2014. 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.

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.

PART II. OTHER INFORMATION**Item 1. Legal Proceedings**

Acuity Brands is subject to various legal claims arising in the normal course of business, including, but not limited to, patent infringement, product liability claims, and employment matters. 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.

Information regarding reportable legal proceedings is contained in Part I, “Item 3. Legal Proceedings” in the Company’s Form 10-K. Information set forth in this report’s *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* describes any legal proceedings that became reportable during the quarter ended November 30, 2014, and updates any descriptions of previously reported legal proceedings in which there have been material developments during such quarter. The discussion of legal proceedings included within the *Commitments and Contingencies* footnote of the *Notes to Consolidated Financial Statements* is incorporated into this Item 1 by reference.

Item 1a. Risk Factors

There have been no material changes in the Company’s risk factors from those disclosed in Part I, “Item 1a. Risk Factors” of the Company’s Form 10-K.

Item 5. Other Information**Results of Annual Shareholders Meeting**

At the Company’s annual meeting of stockholders held on January 7, 2015, in Atlanta, Georgia, the shareholders considered and voted on the following proposals.

PROPOSAL 1 — Votes regarding the persons elected to serve as Directors of the Company were as follows:

	Term Expiring at the Annual Meeting for	Votes For	Votes Withheld	Broker Non-Votes
W. Patrick Battle	2016	37,563,566	334,384	2,194,325
Peter C. Browning	2017	36,870,062	1,027,888	2,194,325
James H. Hance, Jr.	2015	31,444,502	6,453,448	2,194,325
Ray M. Robinson	2017	33,306,605	4,591,345	2,194,325
Norman H. Wesley	2017	37,472,456	425,494	2,194,325

In addition to the above elected directors, the directors whose term of office continued after the meeting are as follows: George C. Guynn, Gordon D. Harnett, Robert F. McCullough, Vernon J. Nagel, Julia B. North, and Dominic J. Pileggi.

PROPOSAL 2 — Votes cast regarding the ratification of the appointment of Ernst & Young LLP as the Company’s independent registered public accounting firm were as follows:

Votes For	Votes Against	Votes Abstained
39,878,921	189,444	23,910

PROPOSAL 3 — The results of the advisory vote on the compensation of the named executive officers of the Company were as follows:

Votes For	Votes Against	Votes Abstained	Broker Non-Votes
37,175,215	599,791	122,944	2,194,325

Pursuant to the foregoing votes, the Company's stockholders: (i) elected three directors nominated by the Board of Directors and listed above for three-year terms, elected one director nominated by the Board of Directors and listed above for a one-year term and elected one director nominated by the Board of Directors and listed above for a two-year term; (ii) approved the ratification of the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm; and (iii) approved, on an advisory basis, the Company's named executive officer compensation.

Declaration of Dividend

On January 7, 2015, the Board of Directors of the Company declared a quarterly dividend of \$0.13 per share. The dividend is payable on February 2, 2015 to stockholders of record on January 21, 2015.

Item 6. *Exhibits*

Exhibits are listed on the [Index to Exhibits](#).

SIGNATURES

Pursuant to the requirements 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: January 9, 2015

By:

/S/ VERNON J. NAGEL

VERNON J. NAGEL
CHAIRMAN, PRESIDENT, AND CHIEF EXECUTIVE OFFICER

Date: January 9, 2015

By:

/S/ RICHARD K. REECE

RICHARD K. REECE
EXECUTIVE VICE PRESIDENT AND
CHIEF FINANCIAL OFFICER (Principal Financial and
Accounting Officer)

INDEX TO EXHIBITS

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., dated as of September 30, 2011.	Reference is made to Exhibit 3.1 of registrant's Form 8-K as filed with the Commission on October 5, 2011, which is incorporated herein by reference.
EXHIBIT 10(iii)A	(1) Severance Agreement, entered into as of November 19, 2008, by and between Acuity Brands Lighting, Inc. and Mark A. Black.	Filed with the Commission as part of this Form 10-Q.
	(2) Amended and Restated Change in Control Agreement, dated March 19, 2007, between Acuity Brands, Inc. and Mark A. Black.	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 31	(a) Certification of the Chief Executive Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
	(b) Certification of the Chief Financial Officer of the Company pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 32	(a) Certification of the Chief Executive Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
	(b) Certification of the Chief Financial Officer of the Company pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	Filed with the Commission as part of this Form 10-Q.
EXHIBIT 101	The following financial information from the Company's Quarterly Report on Form 10-Q for the quarter ended November 30, 2014, filed on January 9, 2015, formatted in XBRL (Extensible Business Reporting Language): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Cash Flows, and (iv) the Notes to Consolidated Financial Statements.	Filed with the Commission as part of this Form 10-Q.

**ACUITY BRANDS LIGHTING, INC.
SEVERANCE AGREEMENT**

THIS AGREEMENT (the "Agreement"), made and entered into as of this 19th day of November, 2008, by and between ACUITY BRANDS LIGHTING, INC., a Delaware corporation (the "Company"), and Mark A. Black ("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:

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

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 Lighting, 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 **“Parent Company”**. Acuity Brands, Inc., a Delaware corporation, or any successor to its business and/or assets.

2.8 **“Section 409A”**. Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and rulings thereunder.

2.9 **“Severance Period”**. A period equal to the lesser of (i) eighteen (18) 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.

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.

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).

3. Stock Options, Restricted Stock And Restricted Stock Units. As of Executive's Date of Termination, the vesting and exercisability 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. 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.

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.

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.

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.

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**

1. Purpose and Reasonableness of Provisions. Executive acknowledges that, prior to and during the Term of this Agreement, the Company and the Parent Company (collectively referred to hereinafter, where applicable, as the "Protected Parties") have 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.

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.

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.

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. Non-Competition. Executive agrees that during the course of his/her employment and for eighteen (18) 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.

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.

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.

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.

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.

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

- 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.

- 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.

- 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.

- 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:

Acuity Brands Lighting, Inc.
Attention: General Counsel
One Lithonia Way
Conyers, GA 30012

If to the Company:
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.

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. 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.

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.

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.

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:

Mark A. Black

ACUITY BRANDS LIGHTING, INC.

Vernon J. Nagel

Chairman, President and Chief Executive

EXHIBIT A
TO ACUITY BRANDS LIGHTING, 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, 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 Lighting, 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 (*i.e.*, 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. If Employee timely revokes this Agreement, Employer shall retain payments and benefits otherwise payable to Employee under this Agreement.
- (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.

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 Initials: _____
Date: _____

US2000 10770216.3

**EXHIBIT B
TO ACUITY BRANDS LIGHTING, 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

Mark A. Black

Executive Vice President, Supply Chain

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 Executive Vice President, Supply Chain in which capacity Executive: (1) oversees all aspects of supply chain operations of Acuity Brands Lighting; (2) is responsible along with other key members of the management team for the achievement of ABL’s financial and operational goals and objectives; (3) is responsible for meeting requirements for Environmental, Quality, Delivery, Cost, and Innovation; (4) manages all manufacturing operations; (5) is responsible for reducing supply chain costs; and (6) is responsible for procurement activities for manufacturing operations .

AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT

THIS AMENDED AND RESTATED CHANGE IN CONTROL AGREEMENT, made as of this 29th day of March, 2007, by and between Acuity Brands, Inc. (the "Company") and Mark A Black (the "Executive").

WHEREAS, Executive is a key executive 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 executive 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 Change in Control Agreement, dated as of September 1, 2006 (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, 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 the Gross-Up Payment (as hereinafter defined) and 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

1. Cause. For purposes of this Agreement, a termination for "Cause" is a termination evidenced by a resolution adopted in good faith by two-thirds of the Board 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; 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 (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 an absence 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. 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 the day and year first written above, 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.

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.

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.

5. Good Reason. (a) 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 (9) 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) a failure to increase the Executive's base salary at least annually at a percentage of base salary no less than the average percentage increases (other than increases resulting from the Executive's promotion) granted to the Executive during the three full years ended prior to a Change in Control (or such lesser number of full years during which the Executive was employed);
 - (4) 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;
 - (5) 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);
 - (6) the insolvency or the filing (by any party, including the Company) of a petition for bankruptcy of the Company;
 - (7) any material breach by the Company of any provision of this Agreement;
 - (8) 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
 - (9) 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.
- (a) Any event or condition described in Section 2.5(a)(1) through (9) 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.
- (b) 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.
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-1 (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.

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.

8. 1934 Act. The Securities Exchange Act of 1934, as amended.

3. Termination of Employment.

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 greatest of the following: (x) most recent annual bonus paid or payable to the Executive, or (y) the 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) 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 two and one-half (2.5) 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 62 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 15) and the denominator of which shall be 30;

(iii) for a number of months equal to the lesser of (A) 30 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 healthcare 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 sixty (60) 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 excess of (A) the Supplemental Retirement Benefit (as defined below) had (x) the Executive remained employed by the Company for an additional two and one half (2.5) complete years of Credited Service (or until his 65th birthday if earlier), (y) his annual compensation during each year of such period been equal to his Base Salary and the Bonus Amount, and (z) he had been fully (100%) vested in his benefit under each retirement plan in which the Executive was a participant, over (B) the lump sum actuarial equivalent of the aggregate retirement benefit the Executive is actually entitled to receive under such retirement plans. For purposes of this Subsection (iv), the “Supplemental Retirement Benefit” shall mean the lump sum actuarial equivalent of the aggregate retirement benefit the Executive would have been entitled to receive under the Company’s supplemental executive retirement plans including, but not limited to, the Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan (“SERP”), provided, however, if the Executive has attained at least age 50 and has at least 3 years of Credited Service (including the additional years credited under this subsection (iv)) as of the Termination Date the calculation of the Supplemental Retirement Benefit shall be made pursuant to the Early Retirement provisions under the SERP, without regard to the Executive’s attained age or years of Credited Service. For purposes of this Subsection (iv), the “actuarial equivalent” shall be determined in accordance with the actuarial assumptions used for the calculation of benefits under the SERP as applied prior to the Termination Date in accordance with such plan’s past practices;

(v) 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 two and one-half (2.5) 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 two-and-one-half-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

(vi) (A) the restrictions on any outstanding incentive awards (including restricted stock, restricted stock units and granted Performance Shares) granted to the Executive under the Long-Term Incentive Plan or under any other incentive plan or arrangement 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 all Performance Units granted to the 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), (v) and (vi) 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).

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 March 29, 2007, ("Severance Agreement"), between Executive and the Company (or any successor agreement to such Severance 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. 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 or benefits to which the Executive may be entitled under any Company severance plan, program or arrangement for a termination of employment covered by such circumstances.

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 and without regard to whether the Executive's employment with the Company has terminated, in the event that any payment or benefit (within the meaning of Section 280G(b) (2) of the Internal Revenue Code of 1986, as

amended (the "Code"), to the Executive or for his benefit, whether paid or payable or distributed or distributable pursuant to the terms of this Agreement or otherwise in connection with, or arising out of, his employment with the Company or a change in ownership or effective control of the Company or of a substantial portion of its assets (a "Payment" or "Payments"), would be subject to the excise tax imposed by Section 4999 of the Code or any interest or penalties are incurred by the Executive with respect to such excise tax (such excise tax, together with any such interest and penalties, are hereinafter collectively referred to as the "Excise Tax"), then the Executive shall be entitled to receive an additional payment (a "Gross-Up Payment") in an amount such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes and the Excise Tax), including any Excise Tax, imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-Up Payment equal to the Excise Tax imposed upon the Payments; provided, however, if the Executive's Payments do not exceed 105% of the largest amount that would result in no portion of the Payments being subject to the Excise Tax (the "Safe Harbor Amount"), then this subsection (a) shall not apply and the Payments shall be reduced so that the amount of the Payments shall be equal to the Safe Harbor Amount, provided, further, that the Executive shall elect which non-cash or cash Payments shall be reduced so that the Payments equal the Safe Harbor Amount.

(b) An initial determination as to whether a Gross-Up Payment is required pursuant to this Section 6 and the amount of such Gross-Up Payment shall be made by an accounting firm selected by the Company and reasonably acceptable to the Executive which is designated 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 five 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 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 a Payment or Payments, it shall furnish the Executive with a substantial authority opinion reasonably acceptable to the Executive that no Excise Tax will be imposed with respect to any such Payment or Payments. Within fifteen (15) days of the delivery of the Determination to the Executive, the Executive shall have the right to dispute the Determination (the "Dispute") and in the event of such Dispute, the Executive and the Company shall in good faith discuss a resolution of the Dispute. The Gross-Up Payment, if any, as determined pursuant to this Section 6(b) shall be paid by the Company to the Executive within fifteen (15) days of the receipt of the Accounting Firm's determination or, subject to Executive's approval, all or a portion of the Gross-Up Payment may be paid directly to the appropriate tax authorities. The existence of the Dispute (and any discussions to resolve the Dispute) shall not in any way affect the right of the Executive to receive the Gross-Up Payment in accordance with the Determination. If there is no Dispute, the Determination shall be binding, final and conclusive upon the Company and the Executive subject to the application of Section 6(c).

(c) As a result of the uncertainty in the application of Sections 4999 and 280G of the Code, it is possible that a Gross-Up Payment (or a portion thereof) will be paid which should not have been paid (an "Excess Payment") or a Gross-Up Payment (or a portion thereof) which should have been paid will not have been paid (an "Underpayment"). An Underpayment shall be deemed to have occurred (1) upon notice (formal or informal) to the Executive from any governmental taxing authority that the tax liability of the Executive (whether in respect of the then current taxable year of the Executive or in respect of any prior taxable year of the Executive) may be increased by reason of the imposition of the Excise Tax on a Payment or Payments with respect to which the Company has failed to make a sufficient Gross-Up Payment, (2) upon a determination by a court imposing the Excise Tax on a Payment or Payments with respect to which the Company has failed to make a sufficient Gross-Up Payment, (3) by reason of a determination by the Company (which shall include the position taken by the Company, or together with its consolidated group, on its federal income tax return) or (4) upon the resolution to the satisfaction of the Executive of the Dispute. If an Underpayment occurs, the Executive shall promptly notify the Company and the Company shall pay to the Executive at least fifteen (15) days prior to the date on which the applicable government taxing authority

has requested payment, an additional Gross-Up Payment equal to the amount of the Underpayment plus any interest and penalties (other than interest and penalties imposed by reason of a failure to file timely a tax return or pay taxes shown due on a return) imposed on the Underpayment. An Excess Payment shall be deemed to have occurred upon a "Final Determination" (as hereinafter defined) that the Excise Tax shall not be imposed upon a Payment or Payments with respect to which the Executive had previously received a Gross-Up Payment. A Final Determination shall be deemed to have occurred when the Executive has received from the applicable government taxing authority a refund of taxes or other reduction in his tax liability by reason of the Excess Payment and upon either (i) the date a determination is made by, or an agreement is entered into with, the applicable governmental taxable authority which finally and conclusively binds the Executive and such taxing authority, or in the event that a claim is brought before a court of competent jurisdiction, the date upon which a final determination has been made by such court and either all appeals have been taken and finally resolved or the time for all appeals has expired or (ii) the statute of limitations with respect to the Executive's applicable tax return has expired. If an Excess Payment is determined to have been made, the amount of the Excess Payment shall be treated as a loan by the Company to the Executive and the Executive shall pay to the Company within 15 days following demand (but not less than 30 days after the determination of such Excess Payment) the amount of the Excess Payment plus interest at an annual rate equal to the rate provided for in Section 1274(b)(2)(B) of the Code from the date the Gross-Up Payment (to which the Excess Payment relates) was paid to the Executive until the date of repayment to the Company.

Executive shall promptly notify the Company in writing of any written communication with any governmental taxing authority relating to the Excise Tax. The Company shall be entitled, at its sole cost and expense, to contest the imposition of the Excise Tax on Executive's behalf (including filing a claim for refund of the Excise Tax) and Executive shall cooperate with the Company in good faith in connection with any such contest or proceeding. The Company's election to contest the Excise Tax shall not affect its obligation to pay to Executive or on his behalf an additional Gross-Up Payment with respect to an Underpayment pursuant to this subsection (c). Any refund of taxes or other reduction in Executive's tax liability arising from any such contest by the Company shall be treated as an Excess Payment under this subsection (c).

(d) 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.

(e) The Executive and the Company shall each provide the Accounting Firm access to and copies of any books, records and documents in the possession of the Company or the Executive, as the case may be, reasonably requested by the Accounting Firm, and otherwise cooperate with the Accounting Firm in connection with the preparation and issuance of the Determination contemplated by subsection (b) hereof.

(f) The fees and expenses of the Accounting Firm for its services in connection with the Determination and the calculations contemplated by this Section 6 shall be paid by the Company.

7. Unauthorized Disclosure. During the period that the Executive is actively employed by the Company or Business Unit 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, 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 the businesses of the Company in the State of Georgia. 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. 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.

10. 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 promptly 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 in which Executive is participating, 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(e)) occurred on or after a Change in Control.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

By:

/S/ Vernon J. Nagel

Chairman, President, and Chief Executive Officer

EXECUTIVE:

/S/ Mark A. Black

Mark A Black

APPENDIX A

BENEFIT PLANS AND AGREEMENTS

(Applicable To Extent Executive Is Participating 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

Pension Plan C (or any similar retirement plan covering the Executive)

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

2002 Supplemental Executive Retirement Plan (or similar supplemental retirement plan covering the Executive)

Employment Letter Agreement, dated June 29, 2006, and any amendments to such agreement.

I, Vernon J. Nagel, certify that:

1. I have reviewed this report on Form 10-Q of Acuity Brands, Inc.;
2. Based on my knowledge, this 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 procedures 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 first 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 the 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: January 9, 2015

/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.]

I, Richard K. Reece, certify that:

1. I have reviewed this report on Form 10-Q of Acuity Brands, Inc.;
2. Based on my knowledge, this 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 procedures 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 first 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 the 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: January 9, 2015

/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.]

**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 Quarterly Report on Form 10-Q of Acuity Brands, Inc. (the "Corporation") for the quarter ended November 30, 2014, 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

January 9, 2015

[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.]

**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 Quarterly Report on Form 10-Q of Acuity Brands, Inc. (the "Corporation") for the quarter ended November 30, 2014, 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

January 9, 2015

[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.]