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

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): October 2, 2008

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

Delaware	001-16583	58-2632672
(State or other jurisdiction of Company or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

1170 Peachtree St., N.E., Suite 2400, Atlanta, GA	30309
(Address of principal executive offices)	(Zip Code)

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

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On October 7, 2008, Acuity Brands, Inc. (the "Company") issued a press release containing information about its results of operations for its fiscal quarter and year ended August 31, 2008. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K, which is incorporated herein by reference in its entirety. A transcript from the Company's conference call discussing its fourth quarter results is also included as Exhibit 99.2 to this Current Report on Form 8-K, which is incorporated herein by reference in its entirety. The information contained in this paragraph, as well as Exhibits 99.1 and 99.2 referenced herein, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

On October 2, 2008, the Board of Directors of the Company approved an amendment and restatement of the Company's by-laws, which will be effective as of January 8, 2009 (the "Amended and Restated Bylaws"). The Amended and Restated Bylaws are primarily intended to enhance the advance notice provisions of the Company's by-laws to ensure that such provisions are clear and unambiguous in light of recent developments in Delaware corporate law. The following is a summary of the changes effected by the Amended and Restated Bylaws, which summary is qualified in its entirety by reference to the Amended and Restated Bylaws, attached hereto as Exhibit 3.1 to this Current Report on Form 8-K, which is incorporated herein by reference:

1. The Amended and Restated Bylaws clarify and distinguish the procedures for (a) stockholders seeking to nominate directors and (b) stockholders seeking to propose other business at a meeting of stockholders. In addition, the Amended and Restated Bylaws clarify that the notice procedures for stockholder business are separate from those for nominations of directors.
2. The Amended and Restated Bylaws simplify the advance notice deadlines establishing when a stockholder must notify the Company that it intends to nominate directors or propose other business at an annual meeting. The Amended and Restated Bylaws now provide that any such notice must be given not later than the 90^{th} day and not earlier than the 120^{th} day prior to the anniversary of the previous year's annual meeting. As described in Item 8.01, the Company's 2008 Annual Meeting is scheduled for January 8, 2009. As a result of the Amended and Restated Bylaws, for the Company's 2009 annual meeting expected to be held in January 2010, to be timely, a stockholder's notice must be delivered to, or mailed and received at, the principal executive offices of the Company:
    a. not earlier than the close of business on September 10, 2009; and
    b. not later than the close of business on October 10, 2009.
3. The Amended and Restated Bylaws update the information that must be included in a notice to the Company to nominate directors or propose other business at a meeting of stockholders. In addition to the existing requirements, a stockholder must (a) disclose relevant information with respect to persons or entities affiliated with the stockholder and any arrangements between the affiliates and the stockholder and (b) disclose the stockholder's stock ownership, including derivative positions. In addition to the requirements above, stockholders nominating candidates for election must also disclose any other information required by the Securities and Exchange Commission's proxy rules in a contested election of directors and additional information concerning the stockholder-proposed nominee(s). The Amended and Restated Bylaws also require that the stockholder update and supplement any such information, as of the record date of the meeting and shortly before the meeting.
4. The Amended and Restated Bylaws clarify that references to the Securities Exchange Act of 1934 (as amended) and related rules do not limit the application of the notice requirements contained in the by-laws.

Item 8.01. Other Events.

On October 7, 2008, the Company issued a press release announcing that it will hold its annual meeting of stockholders on January 8, 2009. A copy of the press release is attached hereto as Exhibit 99.3 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

3.1	Amended and Restated Bylaws of Acuity Brands, Inc. (Filed with the Commission as part of this Form 8-K).
99.1	Press Release dated October 7, 2008.
99.2	Conference call transcript dated October 7, 2008.
99.3	Press Release dated October 7, 2008.

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.

Date: October 7, 2008

ACUITY BRANDS, INC.

By: /s/ Richard K. Reece

Richard K. Reece
Executive Vice President and Chief Financial Officer

EXHIBIT INDEX

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Exhibit 3.1

ACUITY BRANDS, INC.
AMENDED AND RESTATED BY-LAWS
(Amended and Restated as of January 8, 2009)

ARTICLE I - STOCKHOLDERS

Section 1. Annual Meetings, Proposals and Nominations.

(a) An annual meeting of the stockholders, for (i) the election of directors to succeed those whose terms expire and (ii) the transaction of such other business, each as shall properly come before the meeting pursuant to the provisions of this Section 1, shall be held at such place, on such date, and at such time as the Board of Directors shall each year fix.

(b) Business at Annual Meetings of Stockholders.

(i) Only such business (other than nominations of persons for election to the Board of Directors, which must be made in compliance with and is governed exclusively by Section 1(c) of this Article I) shall be conducted at an annual meeting of the stockholders as shall have been brought before the meeting (A) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board of Directors, (B) by or at the direction of the Board of Directors, or (C) by any stockholder of the Corporation who (1) was a stockholder of record at the time of giving of notice provided for in this Section 1(b) and at the time of the meeting, (2) is entitled to vote at the meeting and (3) complies with the notice procedures set forth in this Section 1(b). For the avoidance of doubt, the foregoing clause (C) shall be the exclusive means for a stockholder to propose such business (other than business included in the Corporation's proxy materials pursuant to Rule 14a-8 under the Securities Exchange Act of 1934, as amended) before an annual meeting of stockholders.

(ii) For business (other than nominations of persons for election to the Board of Directors, which must be made in compliance with and is governed exclusively by Section 1(c) of this Article I) to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in proper written form as described in Section 1(b)(iii) of this Article I to the Secretary of the Corporation and such business must otherwise be appropriate for stockholder action under the Delaware General Corporation Law. To be timely, a stockholder's notice for such business must be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation in proper written form not less than ninety (90) days and not more than one hundred twenty (120) days prior to the first anniversary of the preceding year's annual meeting of stockholders; provided, however, that if and only if the annual meeting is not scheduled to be held within a period that commences thirty (30) days before such anniversary date and ends thirty (30) days after such anniversary date, such stockholder's notice must be delivered by the later of (A) the tenth day following the day of the Public Announcement (as defined in Section 1(f) of this Article I) of the date of the annual meeting or (B) the date which is ninety (90) days prior to the date of the annual meeting. In no event shall any adjournment, deferral or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above.

(iii) To be in proper written form, a stockholder's notice to the Secretary of the Corporation shall set forth as to each matter of business the stockholder proposes to bring before the annual meeting (A) a brief description of the business desired to be brought before the annual meeting (including the specific text of any resolutions or actions proposed for consideration and if such business includes a proposal to amend the Corporation's certificate of incorporation or these By-Laws, the specific language of the proposed amendment) and the reasons for conducting such business at the annual meeting, (B) the name and address of the stockholder proposing such business, as they appear on the Corporation's books, the residence name and address (if different from the Corporation's books) of such proposing stockholder, and the name and address of any Stockholder Associated Person (as defined in Section 1(f) of this Article I) covered by clauses (C), (D) and (E) below, (C) the class and number of shares of stock of the Corporation which are directly or indirectly held of record or beneficially owned by such stockholder or by any Stockholder Associated Person with respect to the Corporation's securities, a description of any Derivative Positions (as defined in Section 1(f) of this Article I) directly or indirectly held or beneficially held by the stockholder or any Stockholder Associated Person, and whether and the extent to which a Hedging Transaction (as defined in Section 1(f) of this Article I) has been entered into by or on behalf of such stockholder or any Stockholder Associated Person, (D) a description of all arrangements or understandings between such stockholder or any Stockholder Associated Person and any other person or entity (including their names) in connection with the proposal of such business by such stockholder and any material interest of such stockholder, any Stockholder Associated Person or such other person or entity in such business, and (E) a representation as to whether such stockholder or any Stockholder Associated Person intends to deliver a proxy statement or form of proxy to holders of at least the percentage of the Corporation's outstanding shares required to approve the proposal or otherwise to solicit proxies from stockholders in support of the proposal. In addition, any stockholder who submits a notice pursuant to this Section 1(b) is required to update and supplement the information disclosed in such notice, if necessary, in accordance with Section 1(d) of this Article I.

(iv) Notwithstanding anything in these By-Laws to the contrary, no business (other than nominations of persons for election to the Board of Directors, which must be made in compliance with and is governed exclusively by Section 1(c) of this Article I) shall be conducted at an annual meeting except in accordance with the procedures set forth in this Section 1(b). At an annual meeting, the chairman of the meeting shall determine, if the facts warrant, that business was not properly brought before the meeting and in accordance with the provisions prescribed by these By-Laws, and if the chairman should so determine, the chairman shall so declare to the meeting, and any such business not properly brought before the meeting shall not be transacted.

(c) Nominations at Annual Meetings of Stockholders.

(i) Only persons who are nominated in accordance and compliance with the procedures set forth in this Section 1(c) shall be eligible for election to the Board of Directors at an annual meeting of stockholders.

(ii) Nominations of persons for election to the Board of Directors of the Corporation may be made at an annual meeting of stockholders only (A) by or at the direction of the Board of Directors or (B) by any stockholder of the Corporation who (1) was a stockholder of record at the time of giving of notice provided for in this Section 1(c)(ii) and at the time of the meeting, (2) is entitled to vote at the meeting and (3) complies with the notice procedures set forth in this Section 1(c)(ii). Clause (B) of this Section 1(c)(ii) shall be the exclusive means for a stockholder to make nominations of persons for election to the Board of Directors at an annual meeting of stockholders. Any nominations by stockholders at an annual meeting of stockholders shall be made pursuant to timely notice in proper written form as described in Section 1(c)(iii) of this Article I to the Secretary of the Corporation. To be timely, a stockholder's notice for the nomination of persons for election to the Board of Directors must be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation in proper written form not less than ninety (90) days and not more than one hundred twenty (120) days prior to the first anniversary of the preceding year's annual meeting of stockholders; provided, however, that if and only if the annual meeting is not scheduled to be held within a period that commences thirty (30) days before such anniversary date and ends thirty (30) days after such anniversary date, such stockholder's notice must be delivered by the later of (C) the tenth day following the day of the Public Announcement of the date of the annual meeting or (D) the date which is ninety (90) days prior to the date of the annual meeting. In no event shall any adjournment, deferral or postponement of an annual meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above.

(iii) To be in proper written form, a stockholder's notice to the Secretary of the Corporation shall set forth (A) as to each person whom the stockholder proposes to nominate for election or re-election as a director of the Corporation, (1) the name, age, business address and residence address of the person, (2) the principal occupation or employment of the person, (3) the class or series and number of shares of capital stock of the Corporation which are directly or indirectly owned beneficially or of record by the person, (4) the date such shares were acquired and the investment intent of such acquisition and (5) any other information relating to the person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for a contested election of directors (even if an election contest or proxy solicitation is not involved), or is otherwise required, pursuant to Section 14 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder (including such person's written consent to being named in the proxy statement as a nominee, if applicable, and to serving if elected); and (B) as to the stockholder giving the notice (1) the name and address of such stockholder, as they appear on the Corporation's books, the residence name and address (if different from the Corporation's books) of such proposing stockholder, and the name and address of any Stockholder Associated Person covered by clauses (2), (3), (4) and (5) below, (2) the class and number of shares of stock of the Corporation which are directly or indirectly held of record or beneficially owned by such stockholder or by any Stockholder Associated Person with respect to the Corporation's securities, a description of any Derivative Positions directly or indirectly held or beneficially held by the stockholder or any Stockholder Associated Person, and whether and the extent to which a Hedging Transaction has been entered into by or on behalf of such stockholder or any Stockholder Associated Person, (3) a description of all arrangements or understandings (including financial transactions and direct or indirect compensation) between such stockholder or any Stockholder Associated Person and each proposed nominee and any other person or entity (including their names) pursuant to which the nomination(s) are to be made by such stockholder, (4) any other information relating to such stockholder or any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for a contested election of directors (even if an election contest or proxy solicitation is not involved), or otherwise required, pursuant to Section 14 of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, and (5) a representation as to whether such stockholder or any Stockholder Associated Person intends to deliver a proxy statement or form of proxy to the holders of a sufficient number of the Corporation's outstanding shares to elect such nominee or otherwise to solicit proxies from stockholders in support of the nomination. In addition, any stockholder who submits a notice pursuant to this Section 1(c) is required to update and supplement the information disclosed in such notice, if necessary, in accordance with Section 1(d) of this Article I. At an annual meeting, the chairman of the meeting shall determine, if the facts warrant, that a nomination was not made in accordance with the procedures prescribed by these By-Laws, and if the chairman should so determine, the chairman shall so declare to the meeting, and the defective nomination shall be disregarded.

(iv) Notwithstanding anything in the fourth sentence of Section 1(c)(ii) of this Article I to the contrary, if the number of directors to be elected to the Board of Directors is increased and there is no Public Announcement naming all of the nominees for director or specifying the size of the increased Board of Directors made by the Corporation at least 100 days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by Section 1(c)(ii) of this Article I shall also be considered timely, but only with respect to nominees for any new positions created by such increase, if it shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such Public Announcement is first made by the Corporation.

(d) Update and Supplement of Stockholder's Notice. Any stockholder who submits a notice of proposal for business or nomination for election pursuant to this Section 1 is required to update and supplement the information disclosed in such notice, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the meeting of stockholders and as of the date that is twelve (12) days prior to such meeting of the stockholders or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than seven (7) days after the record date for the meeting of stockholders (in the case of the update and supplement required to be made as of the record date), and not later than ten (10) days prior to the date for the meeting of stockholders or any adjournment or postponement thereof (in the case of the update and supplement required to be made as of twelve (12) days prior to the meeting of stockholders or any adjournment or postponement thereof).

(e) Requirements of Exchange Act. In addition to the foregoing provisions of this Section 1, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder with respect to the matters set forth in these By-Laws; provided, however, that any references in these By-Laws to the Securities Exchange Act of 1934, as amended, or the rules and regulations promulgated thereunder are not intended to and shall not limit the requirements of these By-Laws applicable to nominations or proposals as to any other business to be considered pursuant to these By-Laws regardless of the stockholder's intent to utilize Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended. Nothing in this Section 1 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended.

(f) Definitions. For purposes of these By-Laws, the term:

(i) "Derivative Positions" means, with respect to a stockholder or any Stockholder Associated Person, any derivative positions including, without limitation, any short position, profits interest, option, warrant, convertible security, stock appreciation right, or similar right with an exercise or conversion privilege or a settlement payment or mechanism at a price related to any class or series of shares of the Corporation or with a value derived in whole or in part from the value of any class or series of shares of the Corporation, whether or not such instrument or right shall be subject to settlement in the underlying class or series of capital stock of the Corporation or otherwise and any performance-related fees to which such stockholder or any Stockholder Associated Person is entitled based, directly or indirectly, on any increase or decrease in the value of shares of capital stock of the Corporation;

(ii) "Hedging Transaction" means, with respect to a stockholder or any Stockholder Associated Person, any hedging or other transaction (such as borrowed or loaned shares) or series of transactions, or any other agreement, arrangement or understanding, the effect or intent of which is to increase or decrease the voting power of such stockholder or any Stockholder Associated Person with respect to the Corporation's securities;

(iii) "Public Announcement" means disclosure in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, PR Newswire or comparable news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Sections 13, 14 or 15(d) of the Securities Exchange Act of 1934, as amended; and

(iv) "Stockholder Associated Person" of any stockholder means (A) any person controlling, directly or indirectly, or acting in concert with, such stockholder, (B) any beneficial owner of shares of stock of the Corporation owned of record or beneficially by such stockholder or (C) any person directly or indirectly controlling, controlled by or under common control with such Stockholder Associated Person.

Section 2. Special Meetings of Stockholders.

(a) Special meetings of the stockholders may be called at any time by the Board of Directors acting pursuant to a resolution adopted by a majority of the Whole Board. For purposes of these By-Laws, the term "Whole Board" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships. The Board of Directors may postpone or reschedule any previously scheduled special meeting.

(b) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Board of Directors' notice of meeting. Only persons who are nominated in accordance and compliance with the procedures set forth in this Section 2 shall be eligible for election to the Board of Directors at a special meeting of stockholders. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Board of Directors' notice of meeting only (i) by or at the direction of the Board of Directors or (ii) provided that the Board of Directors has determined that directors are to be elected at such special meeting, by any stockholder of the Corporation who (A) was a stockholder of record at the time of giving of notice provided for in this Section 2(b) and at the time of the special meeting, (B) is entitled to vote at the meeting and (C) complies with the notice procedures provided for in this Section 2(b). For the avoidance of doubt, the foregoing clause (ii) shall be the exclusive means for a stockholder to propose nominations of persons for election to the Board of Directors at a special meeting of stockholders. Any nominations by stockholders at a special meeting of stockholders shall be made pursuant to timely notice in proper written form as described in this Section 2 to the Secretary of the Corporation. To be timely, a stockholder's notice for the nomination of persons for election to the Board of Directors must be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not earlier than the 120th day prior to such special meeting and not later than the close of business on the later of the 90th day prior to such special meeting or the tenth day following the day on which a Public Announcement is made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall any adjournment, deferral or postponement of a special meeting or the announcement thereof commence a new time period for the giving of a stockholder's notice as described above. To be in proper written form, such stockholder's notice shall set forth all of the information required by, and otherwise be in compliance with, Section 1(c)(iii) of this Article I. In addition, any stockholder who submits a notice pursuant to this Section 2(b) is required to update and supplement the information disclosed in such notice, if necessary, in accordance with Section 2(c) of this Article I. At a special meeting, the chairman of the meeting shall determine, if the facts warrant, that a proposal or nomination was not made in accordance with the procedures prescribed by these By-Laws, and if the chairman should so determine, the chairman shall so declare to the meeting, and the defective proposal or nomination shall be disregarded.

(c) Any stockholder who submits a notice pursuant to this Section 2 is required to update and supplement the information disclosed in such notice, if necessary, so that the information provided or required to be provided in such notice shall be true and correct as of the record date for the special meeting of stockholders and as of the date that is twelve (12) days prior to such special meeting of the stockholders or any adjournment or postponement thereof, and such update and supplement shall be delivered to the Secretary of the Corporation at the principal executive offices of the Corporation not later than seven (7) days after the record date for the special meeting of stockholders (in the case of the update and supplement required to be made as of the record date), and not later than ten (10) days prior to the date for the special meeting of stockholders or any adjournment or postponement thereof (in the case of the update and supplement required to be made as of twelve (12) days prior to the special meeting of stockholders or any adjournment or postponement thereof).

(d) In addition to the foregoing provisions of this Section 2, a stockholder shall also comply with all applicable requirements of the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder with respect to the matters set forth in these By-Laws; provided, however, that any references in these By-Laws to the Securities Exchange Act of 1934, as amended, or the rules and regulations promulgated thereunder are not intended to and shall not limit the requirements of these By-Laws applicable to nominations to be considered pursuant to these By-Laws regardless of the stockholder's intent to utilize Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended. Nothing in this Section 2 shall be deemed to affect any rights of stockholders to request inclusion of proposals in the Corporation's proxy statement pursuant to Rule 14a-8 promulgated under the Securities Exchange Act of 1934, as amended.

Section 3. Notice of Meetings.

Notice of the place, if any, date, and time of all meetings of the stockholders, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, shall be given, not less than ten (10) nor more than sixty (60) days before the date on which the meeting is to be held, to each stockholder entitled to vote at such meeting, except as otherwise provided herein or required by law (meaning, here and hereinafter, as required from time to time by the Delaware General Corporation Law or the certificate of incorporation of the Corporation).

When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting are announced at the meeting at which the adjournment is taken; provided, however, that if the date of any adjourned meeting is more than thirty (30) days after the date for which the meeting was originally noticed, or if a new record date is fixed for the adjourned meeting, notice of the place, if any, date, and time of the adjourned meeting and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, shall be given in conformity herewith. At any adjourned meeting, any business may be transacted which might have been transacted at the original meeting.

Section 4. Quorum.

At any meeting of the stockholders, the holders of a majority of all of the shares of the stock entitled to vote at the meeting, present in person or by proxy, shall constitute a quorum for all purposes, unless or except to the extent that the presence of a larger number may be required by law. Where a separate vote by a class or classes or series is required, a majority of the shares of such class or classes or series present in person or represented by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter.

If a quorum shall fail to attend any meeting, the chairman of the meeting may adjourn the meeting to another place, if any, date, or time.

Section 5. Organization.

Such person as the Board of Directors may have designated or, in the absence of such a person, the Chairman of the Board or, in his or her absence, the President of the Corporation or, in his or her absence, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present, in person or by proxy, shall call to order any meeting of the stockholders and act as chairman of the meeting. In the absence of the Secretary of the Corporation, the secretary of the meeting shall be such person as the chairman of the meeting appoints.

Section 6. Conduct of Business.

The chairman of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him or her in order. The chairman shall have the power to adjourn the meeting to another place, if any, date and time. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting.

Section 7. Proxies and Voting.

At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this paragraph may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used, provided that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

The Corporation may, and to the extent required by law, shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the person presiding at the meeting may, and to the extent required by law, shall, appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of his or her ability. Every vote taken by ballots shall be counted by a duly appointed inspector or inspectors.

All elections shall be determined by a plurality of the votes cast, and except as otherwise required by law, all other matters shall be determined by a majority of the votes cast affirmatively or negatively.

Section 8. Stock List.

A complete list of stockholders entitled to vote at any meeting of stockholders, arranged in alphabetical order for each class of stock and showing the address of each such stockholder and the number of shares registered in his or her name, shall be open to the examination of any such stockholder for a period of at least 10 days prior to the meeting in the manner provided by law.

The stock list shall also be open to the examination of any stockholder during the whole time of the meeting as provided by law. This list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each of them.

ARTICLE II - BOARD OF DIRECTORS

Section 1. Number of Directors.

Subject to the rights of the holders of any series of preferred stock to elect directors under specified circumstances, the number of directors shall be fixed from time to time exclusively by the Board of Directors pursuant to a resolution adopted by a majority of the Whole Board.

Section 2. Newly Created Directorships and Vacancies.

Subject to the rights of the holders of any series of preferred stock then outstanding, newly created directorships resulting from any increase in the authorized number of directors or any vacancies in the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall, unless otherwise required by law or by resolution of the Board of Directors, be filled only by a majority vote of the directors then in office, though less than a quorum (and not by stockholders), and directors so chosen shall serve for a term expiring at the annual meeting of stockholders at which the term of office of the class to which they have been elected expires or until such director's successor shall have been duly elected and qualified. No decrease in the number of authorized directors shall shorten the term of any incumbent director.

Section 3. Regular Meetings.

Regular meetings of the Board of Directors shall be held at such place or places, on such date or dates, and at such time or times as shall have been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required.

Section 4. Special Meetings.

Special meetings of the Board of Directors may be called by the Chairman of the Board, the President or by a majority of the Whole Board and shall be held at such place, on such date, and at such time as they or he or she shall fix. Notice of the place, date, and time of each such special meeting shall be given to each director by whom it is not waived by mailing written notice not less than five (5) days before the meeting or by telephone or by telegraphing or telexing or by facsimile or electronic transmission of the same not less than twenty-four (24) hours before the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting.

Section 5. Quorum.

At any meeting of the Board of Directors, a majority of the total number of the Whole Board shall constitute a quorum for all purposes. If a quorum shall fail to attend any meeting, a majority of those present may adjourn the meeting to another place, date, or time, without further notice or waiver thereof.

Section 6. Participation in Meetings By Conference Telephone.

Members of the Board of Directors, or of any committee thereof, may participate in a meeting of such Board of Directors or committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other and such participation shall constitute presence in person at such meeting.

Section 7. Conduct of Business.

At any meeting of the Board of Directors, business shall be transacted in such order and manner as the Board of Directors may from time to time determine, and all matters shall be determined by the vote of a majority of the directors present, except as otherwise provided herein or required by law. Action may be taken by the Board of Directors without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the Board of Directors. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

Section 8. Compensation of Directors.

Unless otherwise restricted by the certificate of incorporation, the Board of Directors shall have the authority to fix the compensation of the directors. The directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors and may be paid a fixed sum for attendance at each meeting of the Board of Directors or paid a stated salary or paid other compensation as director. No such payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed compensation for attending committee meetings.

ARTICLE III - COMMITTEES

Section 1. Committees of the Board of Directors.

The Board of Directors may from time to time designate committees of the Board of Directors, with such lawfully delegable powers and duties as it thereby confers, to serve at the pleasure of the Board of Directors and shall, for those committees and any others provided for herein, elect a director or directors to serve as the member or members, designating, if it desires, other directors as alternate members who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of any member of any committee and any alternate member in his or her place, the member or members of the committee present at the meeting and not disqualified from voting, whether or not he or she or they constitute a quorum, may by unanimous vote appoint another member of the Board of Directors to act at the meeting in the place of the absent or disqualified member.

Section 2. Conduct of Business.

Each committee may determine the procedural rules for meeting and conducting its business and shall act in accordance therewith, except as otherwise provided herein or required by law. Adequate provision shall be made for notice to members of all meetings; a majority of the members shall constitute a quorum unless the committee shall consist of one (1) or two (2) members, in which event one (1) member shall constitute a quorum; and all matters shall be determined by a majority vote of the members present. Action may be taken by any committee without a meeting if all members thereof consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of the proceedings of such committee. Such filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form.

ARTICLE IV - OFFICERS

Section 1. Generally.

The officers of the Corporation shall consist of a Chairman of the Board, a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers (including a Vice Chairman of the Board and a Chairman Emeritus) as may from time to time be appointed by the Board of Directors. Officers shall be elected by the Board of Directors, which shall consider that subject at its first meeting after every annual meeting of stockholders. Each officer shall hold office until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any number of offices may be held by the same person. The salaries of officers elected by the Board of Directors shall be fixed from time to time by the Board of Directors or by such officers as may be designated by resolution of the Board of Directors.

Section 2. Chief Executive Officer.

The Board of Directors shall designate either the Chairman of the Board or the President as the chief executive officer of the Corporation. Subject to the provisions of these By-laws and to the direction of the Board of Directors, the chief executive officer shall have the responsibility for the general management and control of the business and affairs of the Corporation and shall perform all duties and have all powers which are commonly incident to the office of chief executive or which are delegated to him or her by the Board of Directors. He or she shall have power to sign all stock certificates, contracts and other instruments of the Corporation which are authorized and shall have general supervision and direction of all of the other officers, employees and agents of the Corporation.

Section 3. Chief Operating Officer.

The Board of Directors may designate an officer or the Corporation as the chief operating officer of the Corporation. The chief operating officer shall have general responsibility for the management and control of the operations of the Corporation and shall perform all duties and have all powers which are commonly incident to the office of chief operating officer or which are delegated to him or her by the Board of Directors. Subject to the direction of the Board of Directors and the chief executive officer, the chief operating officer shall have power to sign all stock certificates, contracts and other instruments of the Corporation which are authorized and shall have general supervision of all of the other officers (other than the Chairman of the Board or any Vice Chairman), employees and agents of the Corporation.

Section 4. Vice President.

Each Vice President shall have such powers and duties as may be delegated to him or her by the Board of Directors. One (1) Vice President shall be designated by the Board of Directors to perform the duties and exercise the powers of the President in the event of the President's absence or disability.

Section 5. Treasurer.

The Treasurer shall have the responsibility for maintaining the financial records of the Corporation. He or she shall make such disbursements of the funds of the Corporation as are authorized and shall render from time to time an account of all such transactions and of the financial condition of the Corporation. The Treasurer shall also perform such other duties as the Board of Directors may from time to time prescribe.

Section 6. Secretary.

The Secretary shall issue all authorized notices for, and shall keep minutes of, all meetings of the stockholders and the Board of Directors. He or she shall have charge of the corporate books and shall perform such other duties as the Board of Directors may from time to time prescribe.

Section 7. Delegation of Authority.

The Board of Directors may from time to time delegate the powers or duties of any officer to any other officers or agents, notwithstanding any provision hereof.

Section 8. Removal.

Any officer of the Corporation may be removed at any time, with or without cause, by the Board of Directors.

Section 9. Action with Respect to Securities of Other Corporations.

Unless otherwise directed by the Board of Directors, the President or any officer of the Corporation authorized by the President shall have power to vote and otherwise act on behalf of the Corporation, in person or by proxy, at any meeting of stockholders of or with respect to any action of stockholders of any other Corporation in which this Corporation may hold securities and otherwise to exercise any and all rights and powers which this Corporation may possess by reason of its ownership of securities in such other Corporation.

ARTICLE V - STOCK

Section 1. Certificated and Uncertificated Stock.

Shares of the Corporation's stock may be certificated or uncertificated, as provided under the Delaware General Corporation Law. All certificates of stock of the Corporation shall be numbered and shall be entered in the books of the Corporation as they are issued. Such certificates shall exhibit the holder's name and number of shares and shall be signed by the Chairman or a Vice Chairman or the President or a Vice President and by the Treasurer or an Assistant Treasurer or the Secretary or an Assistant Secretary. Any or all of such signatures on the certificate may be a facsimile.

Section 2. Transfers of Stock.

Transfers of stock shall be made on the books of the Corporation only by the record holder of such stock, or by an attorney lawfully constituted in writing, and, in the case of stock represented by a certificate, upon surrender of the certificate.

Section 3. Record Date.

In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders, or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may, except as otherwise required by law, fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of any meeting of stockholders, nor more than sixty (60) days prior to the time for such other action as hereinbefore described; provided, however, that if no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held, and, for determining stockholders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts a resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

Section 4. Lost, Stolen or Destroyed Certificates.

In the event of the loss, theft or destruction of any certificate of stock, another may be issued in its place pursuant to such regulations as the Board of Directors may establish concerning proof of such loss, theft or destruction and concerning the giving of a satisfactory bond or bonds of indemnity.

Section 5. Regulations.

The issue, transfer, conversion and registration of certificates of stock shall be governed by such other regulations as the Board of Directors may establish.

ARTICLE VI - NOTICES

Section 1. Notices.

If mailed, notice to stockholders shall be deemed given when deposited in the mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders may be given by electronic transmission in the manner provided in Section 232 of the Delaware General Corporation Law.

Section 2. Waivers.

A written waiver of any notice, signed by a stockholder or director, or waiver by electronic transmission by such person, whether given before or after the time of the event for which notice is to be given, shall be deemed equivalent to the notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in such a waiver. Attendance at any meeting shall constitute waiver of notice except attendance for the sole purpose of objecting to the timeliness of notice.

ARTICLE VII - INDEMNIFICATION OF DIRECTORS AND OFFICERS

Section 1. Right to Indemnification.

Each person who was or is made a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a “proceeding”), by reason of the fact that he or she is or was a director or an officer of the Corporation or is or was serving at the request of the Corporation as a director, officer or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to an employee benefit plan (hereinafter an “indemnitee”), whether the basis of such proceeding is alleged action in an official capacity as a director, officer or trustee or in any other capacity while serving as a director, officer or trustee, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same exists or may hereafter be amended (but, in the case of any such amendment, only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law permitted the Corporation to provide prior to such amendment), against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such indemnitee in connection therewith; provided, however, that, except as provided in Section 3 of this Article VII with respect to proceedings to enforce rights to indemnification, the Corporation shall indemnify any such indemnitee in connection with a proceeding (or part thereof) initiated by such indemnitee only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

Section 2. Right to Advancement of Expenses.

In addition to the right to indemnification conferred in Section 1 of this Article VII, an indemnitee shall also have the right to be paid by the Corporation the expenses (including attorney's fees) incurred in defending any such proceeding in advance of its final disposition (hereinafter an "advancement of expenses"); provided, however, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (hereinafter an "undertaking"), by or on behalf of such indemnitee, to repay all amounts so advanced if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (hereinafter a "final adjudication") that such indemnitee is not entitled to be indemnified for such expenses under this Section 2 or otherwise.

Section 3. Right of Indemnitee to Bring Suit.

If a claim under Section 1 or 2 of this Article VII is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in any suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the Delaware General

Corporation Law. Neither the failure of the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including its directors who are not parties to such action, a committee of such directors, independent legal counsel, or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VII or otherwise shall be on the Corporation.

Section 4. Non-Exclusivity of Rights.

The rights to indemnification and to the advancement of expenses conferred in this Article VII shall not be exclusive of any other right which any person may have or hereafter acquire under any statute, the Corporation’s certificate of incorporation, By-laws, agreement, vote of stockholders or directors or otherwise.

Section 5. Insurance.

The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

Section 6. Indemnification of Employees and Agents of the Corporation.

The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee or agent of the Corporation to the fullest extent of the provisions of this Article with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

Section 7. Nature of Rights.

The rights conferred upon indemnitees in this Article VII shall be contract rights and such rights shall continue as to an indemnitee who has ceased to be a director, officer or trustee and shall inure to the benefit of the indemnitee’s heirs, executors and administrators. Any amendment, alteration or repeal of this Article VII that adversely affects any right of an indemnitee or its successors shall be prospective only and shall not limit or eliminate any such right with respect to any proceeding involving any occurrence or alleged occurrence of any action or omission to act that took place prior to such amendment or repeal.

ARTICLE VIII - MISCELLANEOUS

Section 1. Facsimile Signatures.

In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these By-laws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

Section 2. Corporate Seal.

The Board of Directors may provide a suitable seal, containing the name of the Corporation, which seal shall be in the charge of the Secretary. If and when so directed by the Board of Directors or a committee thereof, duplicates of the seal may be kept and used by the Treasurer or by an Assistant Secretary or Assistant Treasurer.

Section 3. Reliance upon Books, Reports and Records.

Each director, each member of any committee designated by the Board of Directors, and each officer of the Corporation shall, in the performance of his or her duties, be fully protected in relying in good faith upon the books of account or other records of the Corporation and upon such information, opinions, reports or statements presented to the Corporation by any of its officers or employees, or committees of the Board of Directors so designated, or by any other person as to matters which such director or committee member reasonably believes are within such other person’s professional or expert competence and who has been selected with reasonable care by or on behalf of the Corporation.

Section 4. Fiscal Year.

The fiscal year of the Corporation shall be as fixed by the Board of Directors.

Section 5. Time Periods.

In applying any provision of these By-laws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

ARTICLE IX - AMENDMENTS

In furtherance and not in limitation of the powers conferred by law, the Board of Directors is expressly authorized to adopt, amend and repeal these By-Laws subject to the power of the holders of capital stock of the Corporation to adopt, amend or repeal the By-Laws; provided, however, that, with respect to the power of holders of capital stock to adopt, amend and repeal By-Laws of the Corporation, notwithstanding any other provision of these By-Laws or any provision of law which might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of the capital stock of the Corporation required by law, these By-Laws or any preferred stock, the affirmative vote of the holders of at least 80% percent of the voting power of all of the then-outstanding shares entitled to vote generally in the election of directors, voting together as a single class, shall be required to adopt, amend or repeal any provision of these By-Laws.

Exhibit 99.1

News Release

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Acuity Brands Reports Record Diluted EPS and Accelerates Streamlining Plans

ATLANTA, October 07, 2008 – Acuity Brands, Inc. (NYSE: AYI) today announced record diluted earnings per share (EPS) from continuing operations for the fourth quarter of fiscal 2008 of $1.02 compared with $0.97 for the prior year period, an increase of 5 percent. The Company generated fourth quarter net sales of $522.8 million, a 3 percent decrease compared with the $540.4 million reported in the year-ago period.

Operating profit increased $4.2 million, or 6.0%, to a quarterly record of $73.7 million in the fourth quarter of 2008 compared with 2007. Operating profit margin expanded over 120 basis points to 14.1% in the fourth quarter compared to the year-ago period. The benefits from a better mix of products sold, more favorable pricing, and productivity improvements helped to offset a recent escalation of raw material and component costs, lower shipment volume, and continued investments to capitalize on growth opportunities in markets such as renovation and relighting.

Vernon J. Nagel, Chairman, President, and Chief Executive Officer of Acuity Brands remarked, “We are very pleased to report record year-over-year diluted EPS from continuing operations, operating profit, and operating profit margin for the 14th quarter in a row. Our quarterly operating profit margin exceeded 14 percent for the first time in our history. These quarterly results are even more impressive given the significant rise in commodity prices and the turbulent economic conditions in the U.S. Many of our markets continued to grow in our fourth quarter but at a slower rate than we have experienced over the last few years. However, the growth in these markets was more than offset by the extremely weak demand that continues to prevail in the residential housing market and for new store construction in certain retail channels, which we estimate reduced our net sales by more than five percentage points.”

Income from continuing operations for the fourth quarter of fiscal 2008 declined 2 percent to $41.9 million compared with $42.9 million for the prior year fourth quarter. The decline was due to an unfavorable pre-tax change of $2.1 million between quarters due primarily to the negative impact of exchange rates on foreign currency transactions and other non-operating items.

Net interest expense in the fourth quarter of fiscal 2008 increased $0.4 million to $7.1 million from $6.7 million reported in the year-ago period due primarily to a decrease in interest income as a result of lower short-term interest rates.

The consolidated income tax rate for the fourth quarter of 2008 was 36.5% compared with 33.4% for the fourth quarter of 2007. The increase in the tax rate was due primarily to taxes associated with the repatriation of foreign cash and an increase in state income taxes resulting from changes in certain state tax laws as well as a change in the mix among the states where the Company’s earnings were generated.

The results for both periods exclude the specialty chemicals business, which was spun off to the shareholders of Acuity Brands on October 31, 2007 as Zep Inc. The historical results of the specialty chemicals business are now reported as discontinued operations of the Company.

Streamlining Plans

Today, the Company announced plans to accelerate its ongoing programs to streamline operations including the consolidation of certain manufacturing facilities and the reduction of certain overhead costs. These actions will allow the Company to better leverage efficiencies in its supply chain and support areas, while funding continued investments in other areas that support future growth opportunities. As a result of these actions, the Company intends to record a special cash charge of approximately $17 million in the first quarter of fiscal 2009 related to the planned consolidation of certain manufacturing operations and a reduction in workforce. As a part of the manufacturing consolidation, the Company also expects to incur an additional non-cash charge for the impairment of assets related to the closing of two manufacturing facilities and the downsizing of a third facility; however, the amount of such charge has not been determined at this time.

The Company expects to realize benefits from these streamlining actions during fiscal year 2009 that will exceed the amount of the cash charge. Upon completing the planned consolidation of the manufacturing operations, which is scheduled to be finished by the fiscal fourth quarter of 2009, the Company expects to realize annualized benefits of more than $36 million. The reduction in workforce will encompass approximately 800 personnel including both manufacturing positions and salaried positions in mostly non-customer interfacing areas of the business.

2008 Fiscal Year

Income from continuing operations for fiscal 2008 increased over 15 percent to $148.6 million compared with $128.7 million reported for fiscal 2007. Diluted earnings per share from continuing operations increased 22 percent to $3.57 compared with $2.93 reported for fiscal 2007. Consolidated net sales in fiscal 2008 were $2,026.6 million compared with $1,964.8 million reported in the year-ago period, an increase of $61.9 million, or 3 percent. Operating profit for fiscal 2008 was $261.1 million compared with operating profit of $222.4 million reported in the prior year, an increase of over $38.6 million, or 17 percent. Operating profit margin expanded more than 150 basis points over the prior year to a record 12.9%. Fiscal year 2008 results include a pre-tax special charge of $14.6 million, or $0.21 per diluted share, recorded in the first quarter related to actions to streamline and simplify the Company's organizational structure and operations as a result of the spin-off of Zep Inc. The special charge reduced 2008 operating margins by 70 basis points. Additionally, fiscal year 2007 results included a $6.6 million pre-tax gain, or $0.10 per diluted share, associated with a favorable legal settlement, as previously disclosed.

For fiscal 2008, the Company reported $2.1 million of other expense compared with $1.6 million of other income in the year-ago period, an unfavorable pre-tax change of $3.7

million. The year-over-year unfavorable change was due primarily to the negative impact of exchange rates on foreign currency transactions and other non-operating items.

Net interest expense for fiscal 2008 declined over $1.4 million to $28.4 million from $29.9 million reported in the year-ago period due primarily to an increase in interest income as a result of higher cash balances, partially offset by lower short-term interest rates.

The consolidated income tax rate for fiscal 2008 was 35.5% compared with 33.7% for fiscal 2007. The increase in the annual tax rate was due primarily to the repatriation of foreign cash and an increase in state income tax expense.

Acuity Brands completed the spin-off of Zep Inc. on October 31, 2007. Therefore, the Company reflects the results of Zep Inc. as a discontinued operation reported as a one-line item on the income statement. For fiscal 2008, the Company reported a loss from discontinued operations of $0.4 million, or $0.01 per diluted share, compared to the prior year's income of $19.4 million, or $0.44 per diluted share. Income from discontinued operations for fiscal 2008 included non-tax-deductible spin-off costs of $5.5 million, or $0.13 per diluted share, primarily for legal and professional fees.

Including the results of discontinued operations, the Company reported diluted EPS of $3.56 for fiscal 2008, or $148.3 million of net income, compared to diluted EPS of $3.37 for fiscal 2007, or $148.1 million of net income. The special charge recorded in the first quarter of fiscal 2008 reduced net income and diluted EPS by $9.1 million and $0.21, respectively.

Cash and cash equivalents at August 31, 2008 totaled $297.1 million, an increase of $83.4 million, or 39 percent, since the beginning of the fiscal year. During fiscal year 2008, the Company generated record net cash flow from operating activities totaling $221.8 million, an increase of $13.1 million, or 6 percent, compared with fiscal 2007. During fiscal year 2008, the Company invested over $30 million in new capital equipment and acquisitions. Additionally, the Company paid over $22 million in dividends to shareholders and funded over $155 million to repurchase approximately 3.6 million shares of its common stock. During fiscal 2008, the Company received approximately $59 million from a combined cash dividend related to the spin-off of Zep Inc. as well as cash generated by the business during the first two months of the fiscal year prior to its spin-off.

Commentary and Outlook

Mr. Nagel said, “We are pleased to report another year of record performance reflecting the crisp execution of our key strategic initiatives including programs to enhance customer service, introduce new and innovative products, and improve productivity. In addition to record earnings, we earned a 27 percent return on average shareholders’ equity. We continued to manage our financial assets effectively, further reducing operating working capital as a percentage of net sales to 10 percent. We ended the year with a very strong balance sheet and tremendous financial flexibility with nearly $300 million of cash and a net debt to capital ratio of 10 percent. We believe our financial strength, which has never been stronger, will afford us the opportunity to aggressively invest in areas to expand our industry leading franchise, particularly in this volatile environment, where we see great opportunities to enhance the long-term prospects of our company.

“While our backlog at August 31, 2008 increased 4% to $177.1 million from a comparable $170.3 million at the end of the prior year, we believe the increase was influenced by orders placed in advance of a price increase that went into effect at the end of August. We continue to experience modest softness in incoming orders and expect them to remain soft for the foreseeable future due to the impact from the troubled housing market which continues to reverberate through the financial markets and the broader economy.”

Mr. Nagel continued, “Looking forward, we see both challenges and opportunities. To meet the challenges and realize the opportunities, we are accelerating our continuous improvement efforts to streamline and enhance our company, reducing spending in certain areas and accelerating our investments in others offering greater growth potential. While decisions to eliminate jobs are never easy, these actions are necessary for us to better leverage our supply chain capabilities, improve service to our customers, and enhance and focus our organizational capabilities. These actions will enable us to redeploy and invest our resources in other areas where we can create greater value for all stakeholders and accelerate our profitable growth opportunities, including a continued focus on industry-leading product innovation incorporating sustainable design, relighting, and customer connectivity. For example, we expect to introduce more new products during the coming year than in any other period in our history, many of which will incorporate LED ("light emitting diode") technology.

"The current market forecast for 2009 by independent third-parties projects a mid-to-upper single-digit percent decline in unit volume year-over-year due to a forecasted decrease in U.S. construction spending as a result of weak economic conditions and tighter lending requirements. The recent spike in commodities prices, particularly steel, is likely to pressure our margins. While we have taken actions to recover higher raw material and freight costs through price increases, we do not believe competitive market forces will allow us to pass on more than these expected cost increases. As such, if one were to assume flat unit volume, a mere recovery of just material and freight costs could negatively impact our operating margin percentage in 2009 by more than 50 basis points compared with 2008.

"Despite these challenges, we see opportunities. We continue to invest and deploy resources to capitalize on growth opportunities in the renovation and relight markets offering new proprietary energy-saving products and services to our customers while also providing an aesthetically superior lighting environment. We also see opportunities to expand our market presence in key markets, such as the New York City metropolitan area where we have historically had limited participation in this large and dynamic market. We expect cash flow from operations to remain strong in 2009 and we intend to invest between $35 million and $40 million in capital expenditures during the year. Also, we estimate the annual tax rate to approximate 35.5% for 2009.

"We believe our focus on productivity improvement, accelerated investments in innovative and energy-efficient products, expanded market presence in key sectors such as the renovation and relight markets, and enhanced services to our customers will provide growth opportunities which will enable us to outperform the market. Additionally, we believe these actions and investments will position us to meet or exceed our long-term financial goals, including expanding our annual operating margin by 70 basis points or more, earnings growth of 15 percent or better, and cash flow generation in excess of our net income."

Mr. Nagel concluded, "Looking ahead to 2009 and beyond, we remain positive about our future performance. Clearly, headwinds that prevail in certain markets will influence demand in the nearer term. Nonetheless, our past and future actions to create value for our customers, to invest in our associates to be even more customer-focused and productive, and to more effectively deploy assets to generate greater returns for our shareholders should enhance the Company's opportunity to prosper over the long-term."

The Company's certifying public accountant's audit opinion with respect to the fiscal year-end financial statements will not be issued until the Company completes its annual report on Form 10-K, including its evaluation of internal controls over financial reporting. Accordingly, the financial results reported in this earnings release are preliminary pending completion of the audit.

Non-GAAP Financial Comparisons

Following the financial statement tables, management has included an additional table reconciling certain non-GAAP financial comparisons to the nearest GAAP measures. The year-over-year non-GAAP comparisons for fiscal year diluted EPS, income from continuing operations, and operating profit margin exclude the impact of the prior year's gain resulting from a favorable legal settlement and the current year's special charge related to actions to streamline and simplify the Company's organizational structure and operations. Management has provided such comparisons to enhance the user's overall understanding of the Company's current financial performance and prospects for the future. Specifically, management believes the non-GAAP financial comparisons provide useful information to investors by excluding or adjusting certain items affecting reported operating results that were unusual and not indicative of the Company's core operating results. The non-GAAP financial comparisons should be considered in addition to, and not as a substitute for or superior to, results prepared in accordance with GAAP.

Conference Call

As previously announced, the Company will host a conference call to discuss fourth quarter results today, October 7, 2008, at 10:00 a.m. ET. Interested parties may listen to this call live today or hear a replay at the Company's Web site: www.acuitybrands.com.

Acuity Brands, Inc. owns and operates Acuity Brands Lighting, Inc. and Acuity Brands Technology Services, Inc. With fiscal year 2008 net sales of approximately $2.0 billion, Acuity Brands Lighting and Acuity Brands Technology Services combined are one of the world's leading providers of lighting fixtures and related products and services and include brands such as Lithonia Lighting®, Holophane®, Peerless®, Mark Architectural Lighting™, Hydrel®, American Electric Lighting®, Gotham®, Carandini®, SpecLight®, MetalOptics®, Antique Street Lamps™, Synergy® Lighting Controls, SAERIS™, and ROAM® . Headquartered in Atlanta, Georgia, Acuity Brands employs approximately 6,500 associates and has operations throughout North America and in Europe and Asia.

Forward Looking Information

This release contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995. Statements that may be considered forward-looking include statements incorporating terms such as "expects," "believes," "intends," "anticipates," "may," "see," "should", and similar terms that relate to future events, performance, or results of the Company and specifically include statements made in this press release regarding: (a) ability to better leverage efficiencies in the Company's supply chain and support areas resulting from the acceleration of programs to streamline operations; (b) realization of benefits during fiscal year 2009 that exceed the $17 million cash charge related to the planned consolidation of manufacturing operations and reduction in workforce; (c) realization of annualized benefits of more than $36 million following completion of the planned consolidation of manufacturing operations; (d) expectation that incoming orders will remain soft for the foreseeable future; (e) growth opportunities created by furthering the Company's market presence, including the expansion into the New York City metropolitan area; (f) expectation that cash flow from operations will remain strong in fiscal 2009; (g) intentions to invest between $35 million and $40 million in capital expenditures in fiscal 2009; and (h) ability for the Company to outperform the market and meet or exceed its long-term financial goals, including annual operating margin expansion of 70 basis points or more, earnings growth of 15 percent or better, and cash flow generation in excess of net income, through growth opportunities provided by the Company's focus on productivity improvement, accelerated investments in innovative and energy-efficient products, expanded market presence in key sectors such as the renovation and relight markets, and enhanced services to customers. Forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from the historical experience of Acuity Brands 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. Please see the other risk factors more fully described in the Company's SEC filings including the Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on July 2, 2008. A variety of other risks and uncertainties are discussed in the Company's filings with the SEC, including the risks discussed in Part I, "Item 1a. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended August 31, 2007. The discussion of those risks is specifically incorporated herein by reference. Management believes these forward-looking statements are reasonable; however, undue reliance should not be placed on any forward-looking statements, which are based on current expectations. Further, forward-looking statements speak only as of the date they are made, and management undertakes no obligation to update publicly any of them in light of new information or future events.

ACUITY BRANDS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS (Unaudited)

(Dollar amounts in thousands)	AUGUST 31, 2008	AUGUST 31, 2007
Assets		
Current Assets		
Cash and short-term investments	$ 297,096	$ 213,674
Receivables, net	268,971	295,544
Inventories, net	145,725	146,536
Other current assets	44,356	53,626
Current assets related to discontinued operations	—	158,182
Total Current Assets	756,148	867,562
Property, Plant, and Equipment, net	161,506	162,011
Other Assets	491,038	498,311
Long-Term assets related to discontinued operations	—	89,983
Total Assets	$1,408,692	$1,617,867
Liabilities and Stockholders' Equity		
Current Liabilities		
Current maturities of long-term debt	$ 159,983	$ —
Accounts payable	205,776	210,402
Accrued compensation	62,992	64,147
Other accrued liabilities	93,815	111,212
Current liabilities related to discontinued operations	—	84,635
Total Current Liabilities	522,566	470,396
Long-Term Debt, less current maturities	203,953	363,877
Other Long-Term Liabilities	106,626	92,304
Long-Term Liabilities related to discontinued operations	—	19,324
Stockholders' Equity	575,547	671,966
Total Liabilities and Stockholders' Equity	$1,408,692	$1,617,867
Current Ratio (2)	1.4	1.8
Percent of Debt to Total Capitalization (3)	38.7%	35.1%

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (Unaudited)

	FISCAL YEARS ENDED	
(Amounts in thousands)	AUGUST 31, 2008	AUGUST 31, 2007
Cash Provided by (Used for):		
Operations-		
Net income	$ 148,632	$ 128,687
Depreciation and amortization	33,840	31,348
Excess tax benefits from share-based payments	(5,022)	(15,360)
Other operating activities	44,353	64,030
Cash Provided by Operations	221,803	208,705
Investing-		
Capital expenditures	(27,166)	(31,457)
Sale of assets	198	1,618
Acquisitions	(3,500)	(43,523)
Cash Used for Investing	(30,468)	(73,362)
Cash Provided by (Used for):		
Financing-		
Debt	$ (8)	$ —
Dividends	(22,466)	(26,359)
Excess tax benefits from share-based payments	5,022	15,360
Stock Issuances	5,221	26,497
Dividend received from Zep	58,379	—
Repurchases of Common Stock	(155,650)	(44,963)
Cash Used for Financing	(109,502)	(29,465)
Cash Provided by Discontinued Operations	834	25,674
Effect of Exchange Rate on Cash	755	1,602
Net Change in Cash	83,422	133,154
Cash at Beginning of Year	213,674	80,520
Cash at End of Year	$ 297,096	$ 213,674

(2) Current Ratio is calculated as Total Current Assets divided by Total Current Liabilities.
(3) Total Debt is defined as Short-term debt plus Long-Term Debt, less current maturities.
Total capitalization is defined as Total Debt plus Stockholders' Equity.

News Release

ACUITY BRANDS, INC.
GAAP to Non-GAAP Reconciliation (Unaudited)

The table below reconciles certain GAAP measures to the corresponding non-GAAP measures, which exclude the fiscal year 2008 special charge to streamline and simplify the organizational structure and operations following the spin-off of Zep Inc. and the fiscal year 2007 gain realized in the settlement of a long-standing commercial dispute. The Company believes these non-GAAP measures provide greater comparability and enhanced visibility into the operating improvements realized.

	Fiscal Year Ended August 31,			
(In thousands)	2008	2007	Change	Percent Change
Operating Profit	$261,061	$222,423	$38,638	17%
Percent of net sales	12.9%	11.3%	1.6 pts	
Add back: Q1 Special charge	14,638	—	14,638	
Less: Settlement gain	—	(6,605)	6,605	
Adjusted Operating Profit	$275,699	$215,818	$59,881	28%
Percent of net sales	13.6%	11.0%	2.6 pts	
Income from Continuing Operations	$148,632	$128,687	$19,945	16%
Add back: Q1 Special charge, net of tax	9,105	—	9,105	
Less: Settlement gain, net of tax	—	(4,293)	4,293	
Adjusted Income from Continuing Operations	$157,737	$124,394	$33,343	27%
Diluted Earnings Per Share from Continuing Operations	$ 3.57	$ 2.93	$ 0.64	22%
Add back: Q1 Special charge	0.21	—	0.21	
Less: Settlement gain	—	(0.10)	0.10	
Adjusted Diluted Earnings Per Share from Continuing Operations	$ 3.78	$ 2.83	$ 0.95	34%

Exhibit 99.2

FINAL TRANSCRIPT

Conference Call Transcript

AYI - Q4 2008 Acuity Brands, Inc. Earnings Conference Call

Event Date/Time: Oct. 07. 2008 / 10:00AM ET

Oct. 07. 2008 / 10:00AM ET, AYI - Q4 2008 Acuity Brands, Inc. Earnings Conference Call

CORPORATE PARTICIPANTS

Dan Smith

Acuity Brands, Inc. - VP, Treasurer

Vern Nagel

Acuity Brands, Inc. - Chairman, CEO, President

Ricky Reece

Acuity Brands, Inc. - SVP, CFO

CONFERENCE CALL PARTICIPANTS

Matt McCall

BB&T Capital Markets - Analyst

Christopher Glynn

Oppenheimer - Analyst

Glen Wortman

Sidoti & Co - Analyst

Peter Lisnic

Robert W Baird - Analyst

Mike Meek

Atlantic Investments - Analyst

Steve Searle

Conning Asset Management - Analyst

Fatish Aciveo

KSA Capital Partners - Analyst

PRESENTATION

Operator

Good morning and welcome to the Acuity Brands 2008 fourth quarter financial conference call. After today's presentation, there will be a formal question-and-answer session. (OPERATOR INSTRUCTIONS). Today's conference is being recorded. If you have any objections, you may disconnect at this time. Now I would like to introduce Mr. Dan Smith, Vice President, Treasurer and Secretary of Acuity Brands. Sir, you may begin.

Dan Smith - ***Acuity Brands, Inc. - VP, Treasurer***

Thank you. Good morning. With me today to discuss our fourth quarter and full year results are Vern Nagel, our Chairman, President and Chief Executive Officer, and Ricky Reece, our Executive Vice President and Chief Financial Officer. We are webcasting today's conference call at www.AcuityBrands.com.

During today's call, we may refer to certain non-GAAP measures. Please refer to today's press release, which contains a reconciliation table of these non-GAAP measures to the appropriate GAAP measures. I would like to remind everyone that during this call we may make projections or forward-looking statements regarding future events or future financial performance of the company. Such statements involve risk and uncertainties such that actual results may differ materially. Please refer to our most recent 10-K and 10-Q SEC filings in today's press release, which identify important factors that could cause actual results to differ materially from those contained in our projections or forward-looking statements.

Now, let me turn this call over to Vern Nagel.

Vern Nagel - ***Acuity Brands, Inc. - Chairman, CEO, President***

Thank you, Dan. Good morning everyone. Ricky and I would like to make a few comments and then we will answer your questions.

First, on behalf of our associates worldwide, I'm again pleased to announce record earnings for both our fourth quarter and full year 2008. 2008 was another outstanding year for Acuity Brands. In fact, we again exceeded all of our longer term financial targets. In addition to our record results, we achieved great success in a number of strategic priorities, including accelerating programs to introduce new, more energy efficient products and services, enhanced customer service, expanded to new markets and improved productivity, as well as the spinoff of our chemical business. These accomplishments will better position the company strategically to produce upper quartile results more consistently. Also, this is our 14th quarter in a row of record operating profit, operating profit margin and diluted earnings per share from continuing operations. A great accomplishment, considering the number of significant challenges we faced this quarter.

I know many of you you have already seen our results and Ricky will provide more detail later in this call but I would like to make a few comments on key highlights. First, for the fourth quarter. Net sales for the quarter were $523 million, down 3% compared with the year-ago period. Operating profit was $73.7 million, up 6%, while margins were 14.1%, up 120 basis points to an all-time high. Diluted earnings per share from continuing operations was $1.02, up more than 5% from the year-ago period. For the full year in 2008, net sales at Acuity Brands Lighting exceeded $2 billion for the first time, up more than 3% from 2007. Consolidated operating profit margins, excluding the special charge in the first quarter following the spinoff of Zep, were 13.6, exceeding 13% for the first time ever for a full year. Adjusted income from continuing operations excluding the special charge was almost $158 million, up approximately 27% from 2007. And adjusted diluted earnings per share from continuing operations, excluding the special charge, were $3.78, up 34%.

We are pleased to report we generated almost $222 million in cash flow from operations in 2008, a record. This was up more than 6% over 2007. Our free cash flow exceeded net income for the sixth time in the last seven years, a key metric for us. Our cash balance was almost $300 million at the end of August, up more than $83 million or almost 40% from the end of August last year. In addition, our consolidated cash flow return on investment expanded 620 basis points to over 30%, an all-time high.

Looking beyond our financial results to our operational improvements, we made great progress in four key areas of strategic focus. Customer service, pricing and margin management, product portfolio expansion, including significant additions to our stable of sustainable and energy efficient products, and company-wide productivity, All of which contributed to our record financial performance in 2008. Throughout most of the year, we enjoyed growth in net sales, particularly in targeted sectors and geographies of the construction market. Our growth was driven primarily by our focus on disciplined pricing, the continued introduction of and demand for our sustainable and highly energy efficient products and our enhanced customer service. The growth in 2008 was even more notable, given the continued decline in construction activity in the residential housing market, along with the pronounced slowdown in new store construction in the retail sector due to curtailed consumer spending. While it is impossible for us to know the precise impact that declining demand associated with these two important sectors had on our net sales, we believe this weakness reduced our total net sales by more than 5% in the fourth quarter of 2008, compared with the year-ago period. The fourth quarter was our first quarter with reduced sales compared with the year-ago period, reflecting the extraordinary challenges in these sectors of the construction market.

For the full year, we estimate the impact of declines associated with the residential housing market and new store construction for certain retailers reduced our net sales by almost 3% or more than $50 million in 2008. For the fourth quarter, if one excludes the estimated impact of the decline associated with both the residential housing market and new store construction for retail, we believe our net sales grew more than 2% in other areas of the non-residential market. While it is impossible again to calculate precisely the impact of our pricing actions, product mix and unit volume growth, we believe pricing and product mix more than offset about a 1% decline in unit volume. The decline in unit volume in the fourth quarter which was pronounced in a few key geographies, particularly the Midwest, where the economy is particularly weak, was mostly offset by steady growth in a number of other areas in North America.

I will talk more about our future growth strategies and expectations for the construction market later in the call. From a profitability perspective, we delivered excellent results driven by the execution of our strategies to be the innovative leader in new energy efficient lighting fixture products, expand our presence in key channels and new markets, improve our service, drive productivity gains and maintained our disciplined approach to pricing. For each quarter in the year, including the fourth quarter, we posted record period over period results for operating profit, margin and diluted earnings per share from Continuing Operations. Our results in the fourth quarter were even more notable, given the decline in net sales, and that we absorbed over $5 million in additional costs for steel and fuel in the quarter. We estimate that steel costs shot up more than 40% in the quarter, the magnitude and speed of the increase were unprecedented, and will continue to impact us in 2009. While we reacted immediately, implementing price increases ranging from 5 to 10%, effective the end of August, there was no opportunity to realize the benefit of this pricing action and offset any of these cost increases within the quarter.

In spite of these challenges, operating profit margin for the fourth quarter was 14.1%, and adjusted operating profit margin was 13.6% for the full year, excluding the impact of the special charge. Both period records went up 120 and 260 basis points respectively over the year-ago period. Looking at our fourth quarter results from another perspective, we generated $4.2 million of incremental operating profit on a decrease in net sales of almost $18 million, while absorbing approximately $5 million in additional cost for raw material and fuel, and continuing to make incremental investments in key programs as part of our strategic growth plan. While our financial results were strong, economic uncertainty and market volatility accelerated throughout the world, particularly in the fourth quarter, impacting the many markets we serve.

Given this level of economic uncertainty, nut truly sensing an opportunity to expand our industry-leading franchise, both through organic growth as well as targeted acquisitions, we announced today the acceleration of our ongoing efforts to streamline the organization to provide greater value to our key stakeholders. These streamlining actions include the consolidation of certain manufacturing facilities and the reduction of overhead. These actions will allow us to better leverage our supply chain capabilities, more effectively deploy capital and resources into higher growth areas and accelerate and increase the funding of future product development and expansion into new markets, particularly relight, which has huge growth potential. Also, these actions will free up additional resources to invest through acquisitions in exciting growth areas within the lighting industry. Upon completion of the planned plant consolidations, which are scheduled to be finished by our fiscal fourth quarter of 2009, we expect to realize annualized savings of more than $36 million.

While it is never easy to impact the lives of people through consolidation, we feel it is necessary, particularly during this period of uncertainty, to be proactive in order to more aggressively pursue emerging opportunities, use our considerable resources to expand our market position, and better serve our customers. Ricky will provide more detail on these actions. I would like to now turn the call over to Ricky to make a few brief comments on our overall financial performance before I make some remarks regarding our strategic plans and our outlook for 2009. Ricky?

Ricky Reece - *Acuity Brands, Inc.* - *SVP, CFO*

Thank you, Vern and good morning everyone. Vern previously discussed key highlights of our results so I'll not repeat that information. However, I will touch on a few additional items regarding our fourth quarter results.

Gross profit for the fourth quarter was $212.4 million, or 40.6% of sales. This gross profit margin reflects an increase of 170 basis points, compared with the year-ago period. This improvement in gross profit is after overcoming the challenges of unprecedented increases in raw material and freight costs. This margin improvement reflects the benefits we are realizing from our pricing discipline, richer mix of products sold and productivity gains. Selling, distribution and administrative costs were $138.7 million in the quarter ended August 31, 2008, a reduction of $2 million compared with $140.6 million in the prior year period.

This reduced cost reflects the benefits from simplification of our administrative structure, as a result of the spinoff of Zep, and tight management of discretionary expenses, partially offset by increased commission expense, due to higher commission rates paid on the richer mix of products as well as the investments we are making in our business to drive profitable growth which Vern previously discussed. As a percent of sales, operating expense for the quarter was 26.5%, compared to 26% in the prior year. This 50 basis point increase reflects the impact of the higher commission rates, and the strategic investments.

I will next spend a minute discussing items in the fourth quarter below the operating earnings line. First, net interest expense in the fourth quarter increased $400,000 to $7.1 million from the year-ago period, primarily due to lower interest income as a result of lower short-term interest rates. Second, other expenses related to the impact of exchange rates on foreign currency transactions and gain and losses on the sale of fixed assets, resulted in a pretax unfavorable swing of $2.1 million between this quarter and last year. Lastly, the income tax rate increased in the quarter to 36.5%, compared with 33.4% for the fourth quarter of 2007. This increase was due to taxes associated with the repatriation of foreign cash and increases in state income taxes.

We enjoyed strong cash flow generation in the quarter with cash flow from operations in excess of $111 million, an increase of more than 18% compared with the prior year period. Our overall trade cycle days ended the year at 30 days, a three day reduction from the end of last year. Operating working capital as a percent of sales was approximately 10%, which is a further indication of the improvements we are making in our supply chain and transaction processes. For the fiscal year, we generated cash flow from operations of approximately $222 million, and received a dividend from Zep related to the spinoff of approximately $58 million.

Capital expenditures and acquisitions consumed about $30 million of cash for the year. We returned a significant portion of this free cash flow to shareholders in the form of dividends of $22.5 million, and the repurchase of 3.6 million shares for $155.7 million. We continue to maintain strong financial flexibility as reflected by our net debt-to-capital ratio, which was 10% at August 31st, 2008. From a liquidity standpoint, we have cash of $297 million, and availability under our revolving credit facility of $241 million as of August 31st, 2008. In addition, we continue to generate strong cash flow from operations. This is a very good place to be right now, with all the uncertainty in the financial markets.

I will conclude my prepared remarks with some additional information regarding our planned streamlining actions. As a result of these planned actions, we expect to record a pretax cash charge of approximately $17 million in the first quarter of fiscal 2009. We also expect to record an additional non-cash charge for the impairment of assets related to the consolidation of manufacturing facilities. However, the amount of such charge has not yet been determined. The cash charge consists primarily of severance to the approximately 800 people directly affected by these actions and will be paid out throughout much of fiscal year 2009. Regarding the benefits from these actions, as Vern said previously, we expect to realize approximately $36 million in annual savings once the actions are fully implemented. For fiscal year 2009, we expect to realize savings of approximately $23 million, which is net of approximately $2.5 million in additional period costs that we will incur in the first two fiscal quarters of 2009 related to the planned actions that in accordance with the accounting rules we are not able to include in the charge. Of the fiscal year 2009 savings of $23 million, approximately three-quarters or $18 million will be realized in the second half of the fiscal year, as the plant consolidations are fully implemented.

Thank you and I'll now turn the call back to Vern.

Vern Nagel - ***Acuity Brands, Inc. - Chairman, CEO, President***

Thank you, Ricky. As we look forward we continue to see challenges but more importantly, opportunities. Clearly, economies worldwide are in a state of flux with uncertainty comes great volatility. Some economists suggest we are in a recession. Of course, time will tell. What we do know is key indicators for our traditional markets, both residential and non-residential construction, are signaling a decline in available market in 2009.

All the data we see shows the economy in the United States and the many other parts of the world experiencing a slowdown due to political uncertainties, the disruption in the housing and financial markets, and higher commodity prices. Clearly, it is impossible to know the precise effect these items could have on the future growth rate of the construction markets, or for how long into the future these conditions may prevail. But it is clear, those factors which influence the future growth rate of new construction including the future vitality of the economy, job creation, consumer sentiment, occupancy rates and the availability of capital are all in a current state of flux around signaling slower growth ahead or in some markets continuing declines in demand. This information is all widely known. All this seems to support the forecast by independent third parties that unit volume for construction put in place in the non-residential construction market could be down mid-to upper single digit percentages in 2009 compared with 2008. Additionally, housing starts, which were down 30% in our fiscal 2008, are expected to decline again in 2009, albeit at a slower pace.

So, the two key questions many shareholders may have are how will Acuity Brands perform in this environment? And most importantly, what are our strategies to drive profitable growth? Given these uncertain and volatile economic and market conditions, we would like to share with you a few key observations. First, we expect the current uncertainty and volatility to persist for the foreseeable future, impacting our key markets in 2009, particularly housing and new store construction for large retailers. It seems logical that overall construction activity will be down in fiscal 2009 as predicted by many economists and independent forecasting entities. Second, we expect material costs to continue to be high, particularly in the first half of fiscal 2009. Based on current pricing conditions, we could see our costs for raw materials, particularly steel and fuel and certain other components increasing mid single digits as a percentage of net sales. Obviously, these two factors will create significant headwind for all companies serving the new construction market in North America and Europe.

However, we see tremendous opportunity in this environment. And our strategy is to leverage our industry-leading products and market presence as well as our considerable financial strength to capitalize on those opportunities. So, our strategy to drive profitable growth in 2009 and beyond is to focus on the following four key areas. Customer service, organizational productivity, new and innovative and energy-efficient products, and expansion into new markets, particularly renovation and relight. These four areas have been to varying degrees key elements of our strategy for the last few years, yielding growth and upper quartile financial performance and we expect that to continue.

First, with regard to customer service and productivity, I cannot stress enough the positive impact our focused approach on providing customers with the very best value in the marketplace has had on our performance over the last three years. This has been due to a combination of innovative products, great quality, superior delivery and competitive pricing. Further, we continue to better align our organization in a manner which accelerates our continuous improvements efforts in these critical areas of focus. Additionally, we believe the acceleration of our streamlining actions will allow us to enhance efficiencies while continuing to provide our customers with superior value. Our efforts in these areas have proven to be a winning formula for us.

Second, we have consistently stated over the last three years that a key driver in the improvement of our profitability has been the introduction of new products and a better mix of products sold. New, innovative and highly energy efficient products that provide a superior lighting experience will continue to be key to our future success. In that regard, we intend to introduce more new products in 2009 than we have during any previous year in our company's long history, enhancing our industry's leading position. While these products will positively impact or 2009 results, particularly in the second half, they will have a meaningful impact on 2010 and beyond.

Third, we intend to accelerate our expansion into new markets, including New York City and renovation and relight as well as enhance our value proposition targeted at more traditional segments of the market to better serve the needs of our existing customer base. We made great progress in a number of these areas in 2008, setting the stage for even more success in 2009. Of particular note is relight which is a virtually untapped market. We continue to see great opportunity as high energy costs, the desire for better lighting and greater awareness of the need for more sustainable lighting solutions comes to the forefront of thinking by business and government leaders and building owners throughout the world. For Acuity Brands we feel we are positioned well to not only participate in this evolving industry, but to accelerate that change in growth by providing unique and innovative solutions to meet the needs of our growing customer base.

Today we offer a full array of products and services to meet the growing needs of the renovation and relight market, which some estimate to be in excess of $70 billion in size. We are encouraged by the traction we have already gained in these markets where we estimate that our revenues in 2008 exceeded $70 million. A key element of our growth strategy in 2009 is to accelerate our investment in these areas, both in terms of market coverage as well as new products and services. So what does all of this mean for Acuity Brands in 2009? While our company policy is not to give annual earnings guidance, instead focusing on those key strategic and tactical actions that can best help us achieve our long-term financial goals on a consistent basis, we do have the following observations which may provide you with insight into our focus for 2009.

As we noted in our press release, we expect our price increases in 2009 to offset raw material and other cost increases only. To be clear, the news reporting agencies picked it up incorrectly. We do expect to fully recover our cost increases by increasing our prices in 2009. We expect to continue to drive productivity in our business, as we have consistently done in the past, targeting 70 basis points or more of margin improvement on the base business, which as I noted above, some believe could be declining in 2009. Excluding the streamlining charge, we expect to realize $23 million or about 110 basis points of margin improvement on 2008 net sales from the streamlining efforts announced today. Which should enable us to meaningfully exceed our productivity target of 70 basis points or more of improvement in 2009. We expect unit volume in the new construction portion of the market to be down.

How much, we don't know. But we are anticipating declines as forecasted by Dodge and other independent groups. However, we expect to drive additional revenue growth by expanding our presence in existing channels and geographies, entering new markets such as renovation and relight and accelerating our introduction of new products and services, which will be introduced at a record pace for us in 2009. Our hope is through these various growth initiatives we can partially offset the impact of the potentially contracting market. We have a demonstrated track record of successfully executing our strategies, the uncertainty and volatility currently in the marketplace make it a challenge to precisely quantify how successful we will be in achieving our goals in 2009. However, in summary, we believe the execution of our longer term strategies to focus on productivity improvement, accelerate investments in energy efficient products, expand market presence in key sectors such as renovation and relight market and enhance services to our customers will provide growth opportunities which will enable us to outperform the market in 2009.

Additionally, we believe these actions and the investments will position over the longer term to meet or exceed our financial goals, including expanding our annual operating margin by 70 basis points or more, earnings growth of 15% or more and cash flow generation in excess of our net income. As we look beyond the current environment because this too shall pass, we believe the lighting industry will experience solid growth over the next decade, particularly as energy and environmental concerns come to the forefront. Lastly, we believe our past and future actions to create value for our customers, invest in our associates to be even more customer focused and productive and more effectively deploy our resources to generate greater returns for our shareholders should enhance the company's opportunity to prosper over the long term. Our record results over the last 14 quarters support our focus and strategies.

Thank you, and with that, we will entertain any questions you have.

QUESTION AND ANSWER

Operator

Thank you. (OPERATOR INSTRUCTIONS). Our first question comes from Matt McCall with BB&T Capital Markets. Your line is open.

Matt McCall - ***BB&T Capital Markets - Analyst***

Thanks, good morning everybody.

Vern Nagel - ***Acuity Brands, Inc. - Chairman, CEO, President***

Hi, Matt.

Ricky Reece - ***Acuity Brands, Inc. - SVP, CFO***

Good morning.

Matt McCall - ***BB&T Capital Markets - Analyst***

If we look at the gross margin performance, I think last quarter you had talked about expectations of sequential pressure of up to 100 basis points and it sounded like the steel environment didn't get any better. Help me understand how — I think you were flat sequentially versus Q3. Help me understand how that gap closed so quickly.

Vern Nagel - ***Acuity Brands, Inc. - Chairman, CEO, President***

Well, the fact of the matter is, we continued to drive sales of our new products and these new products obviously have features and benefits as well as price points that are interesting to the marketplace and so our mix of products sold continued to really be beneficial. As you know, we put a price increase in place in May and that had a positive impact on our results for the fourth quarter of this year, and I believe that as we look at our productivity and other areas of our business, our spend productivity as well as just being more efficient in our facilities, all of those served us well in the fourth quarter to help drive the kind of margin performance that you saw.

Matt McCall - ***BB&T Capital Markets - Analyst***

Okay. Okay. The SG&A lining last quarter we talked about — I believe you referenced expectations for '09 dollars to be up about 3 to 4% and as you continue to invest in some of these initiatives, it sounds like the new products are going to continue to push your spending higher. Is that 3 to 4% spending number still a good number for '09?

Ricky Reece - ***Acuity Brands, Inc. - SVP, CFO***

I don't know that we in fact gave that kind of indication. I would say that from a salary perspective, as you obviously know, we have taken a number of actions with our streamlining program to really get at our spending and to better understand how we do some of these things and really to drive investment in new products and in expansion of newer markets. So from our perspective, I think it's best that you focus on our overall margin in some of the areas that we're suggesting to get a better insight into what that's going to look like.

Matt McCall - ***BB&T Capital Markets - - Analyst***

Okay. Okay. Then on the consolidation side, it sounds like you're talking only about manufacturing facilities. Opportunities beyond that, the distribution structure I think you referenced in the past. Any further opportunities that could show up in '09?

Ricky Reece - ***Acuity Brands, Inc. - SVP, CFO***

Matt, our team, our entire team continues to do in my view just an outstanding job of driving productivity and efficiencies into the organization. We continue to look throughout the company for ways that we can improve and enhance those capabilities. We are very aggressively investing in new product development, market expansion, and so I would be reluctant to say at this point in time that tackling more than what we have on our plate right now is going to happen. But I think that we have proven over the last three years that we are committed to continuous improvement. The programs and plans and education that we have in place for our employees are paying off. They're paying off not just in terms of greater productivity, but greater opportunities for our customers. Again, I can't say enough how our customer service and our quality of our products has improved, allowing us to win more frequently in the marketplace and to drive better pricing. So we're going to tackle this streamlining — these streamlining actions now, and we'll continue to see what that affords us in the future.

Matt McCall - ***BB&T Capital Markets - Analyst***

Okay. And then one final one, Vern. You talked about expectations of outperforming the market in 2009 and I just wanted to clarify, in the release you say if one were to assume flat unit volume with the unit volume I'm making sure I'm thinking about the apples-to-apples unit volume here. You're talking about non-res construction down mid-to high single digits, residential construction still down but maybe not as bad as last year but is that meant to be kind of a guidance range if we assume flat unit volume, is that your expectation for next year?

Vern Nagel - ***Acuity Brands, Inc. - Chairman, CEO, President***

No, let's be clear. What we were attempting to do was give shareholders and you a sense of what our expectation of raw material costs could do and how it would impact potentially our financial performance. So what we were trying to do is say if one were to assume flat unit volume growth, and were you to look at our cost increases for steel and fuel and other certain components, we were estimating a mid-single digit increase on that. When you imagine that we believe we will through our pricing actions be able to fully recapture those cost increases, but not more than that, we think that the marketplace will be competitive and not allow capturing more than our cost increases. We wanted you to be able to understand and do your own math on what that impact would have on gross — excuse me, on our operating profit margins because you're increasing the top line through price increase, but you're getting virtually no bottom line improvements so your margins will decline by some amount. We just wanted to be very clear on that.

When it comes to the top line, the actual top line, as I said in here, we are focused — we're assuming that these forecasters have it right. But we don't know. So we're anticipating that unit volume will be down in 2009 on the base business, but it's our expectation through these other initiatives that we're going to work and focus on how do we offset that. Now, whether we're able to offset it all or not, we don't know. But we think that the programs that we have in place are well-targeted to helping us grow our revenue base in those areas at an accelerated pace. So what does all that look like at the end of the year? It really depends on your assumption of where you think the base business is going to go in 2009.

Matt McCall - ***BB&T Capital Markets - Analyst***

Okay. Thank you. That was helpful. Thank you.

Operator

Our next question comes from Christopher Glynn from Oppenheimer. Your line is open.

Christopher Glynn - ***Oppenheimer - Analyst***

Thanks. Good morning.

Ricky Reece - ***Acuity Brands, Inc. - SVP, CFO***

Hi, Chris.

Christopher Glynn - ***Oppenheimer - Analyst***

Just to be clear, in the press release and in the comments you referenced the longer term goals including the 15% EPS growth. Does '09 fall into the bucket or is it strictly restating the longer term goals with no explicit relevance to '09?

Vern Nagel - ***Acuity Brands, Inc.*** - ***Chairman, CEO, President***

It is stating our longer term goals. Our expectation is is that the efforts and the focus that we have internally is that we expect to outperform the market. Don't quite know what that market is going to look like, but as you know, Chris, we have been very focused on internal improvements, redirecting those resources into new product development, very excited about our plans for 2009 in that regard. We are making strong in-roads into new markets such as New York City. The relight market, we've disclosed for the first time what our revenues look like in that space. It's difficult to — because we're just now establishing a baseline, but difficult to compare it to what it was like in 2006. We believe that we've had had very significant growth in that space and we expect to have very significant growth in 2009 there. But what is that precisely going to look like? We still are trying to understand the sales cycle, still trying to understand how aggressively we can penetrate this market. We are making considerable investment in people. As well as training to go after this market and so how fast can we grow that to help offset some of these other areas? Time will tell in that, frankly.

Christopher Glynn - ***Oppenheimer*** - ***Analyst***

Okay. And then on just some of the movements around the operating margin, you have the 70 basis points longer term goal, I think 110 from the new streamlining charge and then some remainder, maybe 6 or 7 million from the streamlining you did in the first quarter, as well as the drag from raws. I mean, are those all additive? What's the subset? I guess the 110, that's inclusive of the 70, not additional?

Ricky Reece - ***Acuity Brands, Inc.*** - ***SVP, CFO***

Correct.

Vern Nagel - ***Acuity Brands, Inc.*** - ***Chairman, CEO, President***

That is correct.

Christopher Glynn - ***Oppenheimer*** - ***Analyst***

Okay.

Ricky Reece - ***Acuity Brands, Inc.*** - ***SVP, CFO***

That is correct. You're thinking about it exactly correct, what we try to do is give through our press release and our comments insight as to what our focus is. I think that the wild card for any investor is to have their own assumption about where these markets are going to go. But we are very committed to targeting growth in areas and we are very committed to driving productivity that we can deploy back into the business in the form of new products for customers, better service and better capability.

Christopher Glynn - ***Oppenheimer*** - ***Analyst***

Okay. So the pieces that you're looking at for the margin build are the 110 plus the realization of the first quarter '08 streamlining plus the raw's impact.

Ricky Reece - ***Acuity Brands, Inc.*** - ***SVP, CFO***

Yes.

Christopher Glynn - ***Oppenheimer*** - ***Analyst***

All right. And then on the — you cite renovation a lot. Historically we’ve talked about relighting as a new market opportunity and renovation haven’t really called that out before. I think it’s been thought of as more of a traditional market. What brings that out to the forefront today?

Vern Nagel - ***Acuity Brands, Inc.*** - ***Chairman, CEO, President***

Well, renovation has always occurred and usually it’s occurred when you have a typical change-out of a lessee and so when someone new moves into a commercial space, typically the lessor will provide them with some type of build-out allowance. We believe that the relight market represents an opportunity where existing owners and occupiers of this space now represent an opportunity to go in and say, let’s proactively change out your lighting to provide you with better lighting, more energy efficient products, saving you energy and helping you meet your goals in terms of your own sustainability objectives. So we believe that proactively targeting companies that fit this bill is just a huge untapped market.

So what you’re doing is you’re going in and knocking on their door and you’re saying here is why you ought to consider relighting your space. And for us, what we wanted to do was give insight for the first time as to what we think our revenues into that renovation and relight market look like. It’s a baseline and we’ll see just how fast we can penetrate that market and develop that market. We have ramped up our capabilities through our SAERIS business unit in terms of people and capability to provide turn key solutions into that market so customers who believe that it’s appropriate for them to relight their space, we have the ability to provide to them full turnkey solutions with our distribution partners, with our agents, with our many folks that are helping us target this market.

Christopher Glynn - ***Oppenheimer*** - ***Analyst***

Thanks for that. Just lastly, how are you thinking about any risks associated to customer service through the streamlining efforts?

Vern Nagel - ***Acuity Brands, Inc.*** - ***Chairman, CEO, President***

Very good question. I believe that our organization is extremely focused on not only maintaining but improving our customer service capabilities. Much of what we are doing here, vis-a-vis the streamlining actions, really are not involving customer facing or direct customer facing activities. Obviously, the plant consolidations are an issue and making sure that we do those effectively is critical to us continuing to maintain a very high level of customer service. We believe that the plans that we have in place will allow us to do this in a streamless or seamless fashion.

Ricky Reece - ***Acuity Brands, Inc.*** - ***SVP, CFO***

Maybe a little bit of additional comment on that. Some of the opportunities that we are seeing and taking advantage of in this streamlining is the automation that we’ve continued to put throughout the business, many of you are aware we’ve been putting Oracle in. We now have pretty much got Oracle in all of the facilities and that’s enabling us to take advantage of streamlining some of the transactional processes that are less cumbersome now than they were when we were operating Multiple Systems. We also have put a fair amount of technology in place with our supply chain as well as with our channel partners that are enabling us to be a lot more efficient in managing those people intensive transactions. So we’re certainly leveraging some of the investments we made and are continuing to make in technology that are enabling us to take advantage of some of the efficiencies that brings.

Christopher Glynn - ***Oppenheimer*** - ***Analyst***

Okay. Thanks very much.

Operator

Our next question comes from Glen Wortman from Sidoti. Your line is open.

Glen Wortman - ***Sidoti & Co*** - ***Analyst***

Good morning, everyone.

Ricky Reece - *Acuity Brands, Inc. - SVP, CFO*

Good morning, Glen.

Glen Wortman - *Sidoti & Co - Analyst*

Can you guys just comment on get a little more specific on your intentions with the large cash position?

Ricky Reece - *Acuity Brands, Inc. - SVP, CFO*

Yeah, our initial thoughts continue to be to use that cash when the $160 million of public debt becomes due early next calendar year, comes due on February 1st of 2009. So we are looking to go ahead and pay that off. We, as Vern commented, are seeing opportunities to invest in the business, both in organic growth through product development as well as some of the servicing capabilities but also seeing opportunities through acquisitions to utilize the cash in that area as well. And then lastly, we have been using the cash for dividends and stock buybacks and that will certainly be something we will consider as well as the right opportunities present themselves. So deleveraging, growing the business, both organically as well as acquisitions, and then returning to shareholders in dividends and stock buybacks.

Vern Nagel - *Acuity Brands, Inc. - Chairman, CEO, President*

Glen, this is Vern. I would also add that we are in a very strong position from a financial perspective to execute over our strategies as Ricky is describing. While no one enjoys this type of market, we think it’s an opportunity for great companies to take advantage of markets like this, to extend and expand their market share to better serve their customers. We intend to use not only our capabilities as an organization, but our financial capabilities in this time period, to really, again, extend out our franchise.

Glen Wortman - *Sidoti & Co - Analyst*

Thank you.

Vern Nagel - *Acuity Brands, Inc. - Chairman, CEO, President*

And we’re fortunate — I was just going to say and we’re north fortunate to be in that situation.

Glen Wortman - *Sidoti & Co - Analyst*

Absolutely. Just also, with respect to the August price increase, so the early indications are that you’ll probably — I know it was an announcement for about 5 to 10%, so you’re expecting to realize maybe about 5% of that or what are you looking at?

Vern Nagel - *Acuity Brands, Inc. - Chairman, CEO, President*

It really depends on the products and what type of products. Obviously, that price increase was driven significantly or primarily around the steel cost and fuel cost increases. Steel, during the fourth quarter, our fourth quarter of 2008, increased literally 100% over the fourth quarter of 2007. And so if you imagine that we’re using north of 50 million pounds of steel a quarter, that just has a huge impact on us. So for us, the price increase and we want to be very clear about it, the price increase we believe will offset our cost increases in these and other areas. But that’s probably about it, given where the market is, but we think that’s a pretty significant event in and of itself.

Glen Wortman - *Sidoti & Co - Analyst*

Thank you very much, guys.

Vern Nagel - ***Acuity Brands, Inc. - Chairman, CEO, President***

Thank you.

Operator

Next question comes from Peter Lisnic with Robert Baird. Your line is open.

Peter Lisnic - ***Robert W Baird - Analyst***

Good morning, everyone.

Ricky Reece - ***Acuity Brands, Inc. - SVP, CFO***

Good morning, how are you?

Peter Lisnic - ***Robert W Baird - Analyst***

Good, how are you? Vern, I was wondering if you could maybe talk about free cash flow a little bit more in terms of ‘09, should we expect to see the same sort of conversion rate, if you will?

Ricky Reece - ***Acuity Brands, Inc. - SVP, CFO***

Well, our objective continues to be — it’s a long-term goal — that our cash flow, so that’s cash flow from operations, minus capital expenditures, will exceed our net income. We’ve done that for six out of the last seven years and we are very focused on continuing to drive our cash flow. It’s highlighted I think even more particularly, given this environment, where, again, we see opportunities to use our financial strength to enhance our franchise.

Peter Lisnic - ***Robert W Baird - Analyst***

Okay. And then just on the materials cost side, with the pressure that you saw in the fourth quarter, it looked like at least in some cases steel costs have come down. Have you built any of the declines into your forecast or expectations for next year?

Ricky Reece - ***Acuity Brands, Inc. - SVP, CFO***

Well, unfortunately I too have read the newspapers. But I see what the invoices look like from our vendors and they don’t reflect that decline. So at this stage, we are still seeing our costs at a very high level. Diesel fuel for us went up — I mean, just between quarters, I mean, third quarter to this quarter, diesel fuel was up 11%. I mean, that increase from the third quarter, the fourth quarter cost us a half a million dollars. So we’re not at this point in time anticipating pricing coming down. If it happens, then of course we will respond to that.

Peter Lisnic - ***Robert W Baird - Analyst***

Okay. Fair enough. And then third question for you, in terms of the $70 million that you’re so far realizing from the retrofit market, if you will, can you give us a sense as to where the early penetration has been and where the biggest opportunities are and what you’re doing to address those opportunities?

Vern Nagel - ***Acuity Brands, Inc.*** - ***Chairman, CEO, President***

Yeah, to be clear, we are not a strong player in the retrofit market. We are a player in the renovation and relight market. Retrofit is someone that would come in and change out a ballast in a lamp, as least that's how we define it. We are far more focused on how do we provide [ESCOs] and our own capabilities with lighting products that will allow them to relight the space, to renovate the space. Our focus has been, at least internally, providing these capabilities to a lot of the retail space, where folks there have great cash flows but same store sales are declining so they're looking how do they improve their profitability. We think that relight really provides them with an opportunity to, again, not only have better lighting, which is really a key, but also to enjoy the energy savings while really driving their own sustainability goals.

We have just a plethora of product that we are providing to folks, ESCOs in the marketplace, capabilities that allow them to very effectively create a value proposition around relight projects. So we're seeing it in a number of areas. The good news is that our agents in the commercial and industrial space are ramping up their investments, separately identifying these opportunities and separately identifying resources against them. We have a number of distribution channel partners that are aggressively investing in the relight market, along with us. So just how aggressively can we grow this will depend, but I will tell you that there is considerable focus on this space by people who really know how to do it.

Peter Lisnic - ***Robert W Baird*** - ***Analyst***

It sounds like it's mostly businesses that are relatively cash rich that the current credit crisis or issues that we're going to at the margin doesn't have that big of an impact, is that safe to say this early in the point in the cycle?

Vern Nagel - ***Acuity Brands, Inc.*** - ***Chairman, CEO, President***

I would say that the clients that we are dealing with are large, major organizations. As we look at REITs and things of that nature, people that own office spaces, a lot of these things are of benefit to them and usually the price points that these projects happen to be at are I think very well within people's operating budgets and are not really going to put huge strains on them. And also when you imagine you have someone that has a very large national footprint, what they're going to do as they relight their spaces, they're going to target those areas where energy costs are particularly high. And as energy costs in areas that are now artificially low, as those caps come off, you'll do it in stages. So the paybacks are quite attractive in some of these areas where energy costs are high and that's where you're seeing the renovation and relight opportunities flourish.

Peter Lisnic - ***Robert W Baird*** - ***Analyst***

Okay. And then last question. We can obviously build our models and kind of read the papers and all that but I'm sort of wondering, you mentioned the dodge forecast and the industry forecast and all that, but what is your gut telling you about the next call it 12 to 18 months in terms of what you're seeing from your customers and just how do you feel about the business going forward?

Vern Nagel - ***Acuity Brands, Inc.*** - ***Chairman, CEO, President***

Well, obviously we are — we have over 14 different channels and access points to market in North America, another couple in Europe, and our people are in front of these customers every day. What we are hearing and what we're seeing is that it's very market, channel, sector, geography specific. I mean, if you look in the Midwest, where you take places like Detroit, and Milwaukee, we're down in the 20 to 30% range because the markets are just down. But if you take other markets like Dallas, Phoenix and Vegas and some of these other places where we continue to see very solid growth, because of the value proposition that's we have, so I think it really is very dependent upon which markets are you talking about and how fast can one fall while the other one gains.

I think the wild card also continues to be new product development. We continue to see very significant benefits from products that we introduce and the acceptance of these products. We are very excited about what 2009 represents in terms of not only products incorporating newer technologies such as LED, but even products that have improved features and benefits using traditional core lamp ballast technology, all very exciting. To me, how quickly can we accelerate the introduction of these products, the market acceptance of them will be a key in really determining how much we are able to offset a projected decline in the overall market.

Peter Lisnic - ***Robert W Baird*** - ***Analyst***

Okay. That's all I had. Thank you for providing the color.

Vern Nagel - ***Acuity Brands, Inc. - Chairman, CEO, President***

Thank you.

Operator

Next question comes from Mike Meek with Atlantic Investment. Your line is open.

Mike Meek - ***Atlantic Investments - Analyst***

Hi, good morning.

Vern Nagel - ***Acuity Brands, Inc. - Chairman, CEO, President***

Good morning, Mike.

Mike Meek - ***Atlantic Investments - Analyst***

Most of my questions have been asked and answered. Just one quick macro follow-up. Obviously there's been a ton of headlines over the last couple weeks about the commercial paper market seizing up. Have you guys seen any impact from that in your business in terms of people canceling orders or maybe the offhand distributor maybe in financial distress or anything of that sort?

Ricky Reece - ***Acuity Brands, Inc. - SVP, CFO***

Virtually — from a distributor perspective, virtually all of the distributors that we deal with are very strong financially. I mean, the who's who list of distributors in North America. So we feel pretty good about their position. Obviously, we monitor that very, very carefully. When it comes to cancellations, then I'll refer if you will to our agency force and what we're hearing is, again, it's very market dependent. We are hearing some situations where folks have taken delay as they secure financing or look at the economics of that. But we really haven't seen, if you will, any significant cancellation of business. I think the good news is that we're pretty diversified in that arena. When I look at our job business, we actually had very nice growth in the fourth quarter. And one could say that they're finishing out these projects. But again, it's very balanced between large, medium and small float type projects.

Mike Meek - ***Atlantic Investments - Analyst***

Great. Thank you.

Ricky Reece - ***Acuity Brands, Inc. - SVP, CFO***

Thank you.

Operator

Next question comes from Steve Searle with Conning Asset Management. Your line is open.

Steve Searle - ***Conning Asset Management - Analyst***

Good morning.

Ricky Reece - ***Acuity Brands, Inc.*** - ***SVP, CFO***

Good morning, Steve.

Steve Searle - ***Conning Asset Management*** - ***Analyst***

With your current plans to pay off your debt out of cash in February '09, you'll be arguably pretty underleveraged. Would you expect to add debt back to your capital structure longer term through acquisitions or share repurchases or other activity?

Ricky Reece - ***Acuity Brands, Inc.*** - ***SVP, CFO***

We have — your point's obviously accurate, that after that payoff with the cash that we're likely to have, we could be in a net positive cash situation. The $200 million that becomes due in August 2010 we probably would be looking, although that's a ways out and we'll have to see what the environment and all is like, but we probably would be looking at refinancing that and using that cash as well as our cash flow to reinvest in our profitable growth strategies and our share repurchases at some point the capital structure would be more efficient with some leverage. We target a 30%, 30 to 40% total debt-to-cap kind of a ratio. We want to maintain our investment grade rating so we're sensitive to that, such that the markets will be available to us when opportunities present themselves, since the investment grade markets tend to be a lot more stable than the non-investment grade. So we would look to increase leverage when the opportunities present themselves to create value for the shareholders by investing that money.

Steve Searle - ***Conning Asset Management*** - ***Analyst***

Okay. Thank you.

Operator

Our next question comes from with [Fatish Aciveo] with KSA Capital Partners. Your line is open.

Fatish Aciveo - ***KSA Capital Partners*** - ***Analyst***

Yes, just wanted to clarify this $2.1 million pretax change that you referred to, how much of that was in the fourth quarter?

Ricky Reece - ***Acuity Brands, Inc.*** - ***SVP, CFO***

That is the fourth quarter's swing those items, fourth quarter this year versus last year in these non-operating items, primarily transactions, foreign currency transaction where we had a gain last year and a loss this year and similarly on sale of fixed assets, we went from a gain last year to a loss this year in the quarter. So that's a quarter swing.

Fatish Aciveo - ***KSA Capital Partners*** - ***Analyst***

Okay. Great. Thank you.

Operator

At this time, there is no further questions. I'd like to turn the meeting back over to Mr. Vernon Nagel for the closing remarks.

Vern Nagel - ***Acuity Brands, Inc. - Chairman, CEO, President***

Thank you for your time this morning. We understand the current environment is unsettling. However, we strongly believe we are focusing on the right objectives, deploying the proper strategies and driving the organization to succeed in critical areas that will, over the longer term, deliver on the expectations of our key stakeholders. Our future is bright. Thank you for your support.

Operator

This will conclude today's conference call. You may now disconnect.

News Release

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ACUITY BRANDS ANNOUNCES ANNUAL MEETING DATE

ATLANTA, October 7, 2008 – Acuity Brands, Inc. (NYSE: AYI) announced that it will hold its Annual Meeting of Stockholders at 1:00 p.m. ET on Thursday, January 8, 2009, in the Ballroom of the Four Seasons Hotel, 75 Fourteenth Street NE, Atlanta, Georgia. The quarterly meeting of the Company's Board of Directors will also take place that day.

Acuity Brands, Inc. owns and operates Acuity Brands Lighting, Inc. and Acuity Brands Technology Services, Inc. With fiscal year 2008 net sales of approximately $2.0 billion, Acuity Brands Lighting and Acuity Brands Technology Services combined are one of the world's leading providers of lighting fixtures and related products and services and include brands such as Lithonia Lighting®, Holophane®, Peerless®, Mark Architectural Lighting™, Hydrel®, American Electric Lighting®, Gotham® , Carandini®, SpecLight®, MetalOptics®, Antique Street Lamps™, Synergy® Lighting Controls, SAERIS™, and ROAM®. Headquartered in Atlanta, Georgia, Acuity Brands employs approximately 6,500 associates and has operations throughout North America and in Europe and Asia.