ACUITY BRANDS INC
Form DEF 14A
November 24, 2008

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

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934 (Amendment No.)

Filed by the Registrant þ
Filed by a Party other than the Registrant o

Check the appropriate box:

o Preliminary Proxy Statement
o **Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
þ Definitive Proxy Statement
o Definitive Additional Materials
o Soliciting Material Pursuant to §240.14a-12

Acuity Brands, Inc.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

þ No fee required.
o Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

1) Title of each class of securities to which transaction applies:

2) Aggregate number of securities to which transaction applies:

3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

4) Proposed maximum aggregate value of transaction:

5) Total fee paid:

o Fee paid previously with preliminary materials.

o Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1) Amount Previously Paid:

2) Form, Schedule or Registration Statement No.:

3) Filing Party:

4) Date Filed:

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ACUITY BRANDS, INC.
1170 Peachtree Street, NE
Suite 2400
Atlanta, Georgia 30309

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS
To be held January 8, 2009

Time:	1:00 p.m. Eastern Time
Date:	January 8, 2009
Place:	Four Seasons Hotel - Ballroom, 75 Fourteenth Street, NE Atlanta, Georgia
Record Date:	Stockholders of record at the close of business on November 17, 2008 are entitled to notice of and to vote at the annual meeting or any adjournments or postponements thereof.
Purpose:	(1) Elect three directors for terms that expire at the annual meeting for the 2011 fiscal year, one director for a term that expires at the meeting for the 2010 fiscal year, and one director for a term that expires at the annual meeting for the 2009 fiscal year; (2) Ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm; and (3) Consider and act upon such other business as may properly come before the annual meeting or any adjournments or postponements thereof.
Stockholders Register:	A list of the stockholders entitled to vote at the annual meeting may be examined during regular business hours at our executive offices, 1170 Peachtree Street, NE, Suite 2400, Atlanta, Georgia, during the ten-day period preceding the meeting.

By order of the Board of Directors,

C. DAN SMITH

Vice President, Treasurer and Secretary

November 24, 2008

YOUR VOTE IS IMPORTANT

IF YOU ARE A STOCKHOLDER OF RECORD, YOU CAN VOTE YOUR SHARES BY THE INTERNET, BY TELEPHONE OR BY MAIL. IF YOU WISH TO VOTE BY THE INTERNET OR BY TELEPHONE, PLEASE FOLLOW THE INSTRUCTIONS PROVIDED ON YOUR PROXY CARD. IF YOU WISH TO VOTE BY MAIL, PLEASE DATE, SIGN, AND MAIL THE ENCLOSED PROXY CARD. NO POSTAGE IS REQUIRED IF MAILED IN THE UNITED STATES IN THE ACCOMPANYING ENVELOPE.

WE ENCOURAGE YOU TO VOTE BY ONE OF THESE METHODS, EVEN IF YOU PLAN TO ATTEND THE ANNUAL MEETING IN PERSON.

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ACUITY BRANDS, INC.
1170 Peachtree Street, NE
Suite 2400
Atlanta, Georgia 30309

PROXY STATEMENT

The Board of Directors (the Board) of Acuity Brands, Inc. (we, our, us , the Company, or Acuity Brands) are furnishing this information in connection with the solicitation of proxies for the annual meeting of stockholders to be held on January 8, 2009. We have enclosed with this proxy statement a proxy and a copy of the Company s annual report to stockholders, which includes the annual report on Form 10-K filed with the Securities and Exchange Commission (the SEC) for the fiscal year ended August 31, 2008. We expect to begin mailing this proxy statement and the enclosed proxy on November 24, 2008.

All properly executed written proxies, and all properly completed proxies submitted by telephone or the Internet, that are delivered pursuant to this solicitation will be voted at the meeting in accordance with directions given in the proxy, unless the proxy is revoked prior to completion of voting at the meeting.

Only owners of record of shares of common stock of the Company at the close of business on November 17, 2008, the record date, are entitled to vote at the meeting, or at any adjournments or postponements of the meeting. Each owner of record on the record date is entitled to one vote for each share of common stock held. There were 40,959,629 shares of common stock issued and outstanding on the record date.

QUESTIONS RELATING TO THIS PROXY STATEMENT

What is a proxy?

It is your legal designation of another person to vote the stock you own. That other person is called a proxy. If you designate someone as your proxy in a written document, that document also is called a proxy or a proxy card. We have designated three of our officers as proxies for the 2008 annual meeting of stockholders. These officers are Vernon J. Nagel, Richard K. Reece and C. Dan Smith.

What is a proxy statement?

It is a document that SEC regulations require us to give you when we ask you to sign a proxy card designating Vernon J. Nagel, Richard K. Reece and C. Dan Smith as proxies to vote on your behalf.

What is the difference between a stockholder of record and a stockholder who holds stock in street name?

If your shares are registered in your name with our transfer agent, The Bank of New York Mellon, you are a stockholder of record. If your shares are held in the name of your broker or bank, your shares are held in street name.

What is the record date and what does it mean?

November 17, 2008 is the record date for the annual meeting to be held on January 8, 2009. The record date is established by the Board as required by the Delaware General Corporation Law (Delaware Law). Owners of record of our common stock at the close of business on the record date are entitled to receive notice of the meeting and vote at the meeting and any adjournments or postponements of the meeting.

How do I vote as a stockholder of record?

As a stockholder of record, you may vote by one of the four methods described below:

By the Internet. You may give your voting instructions by the Internet as described on the enclosed proxy card. This method is also available to stockholders who hold shares in the BuyDirect Plan, in the Employee Stock Purchase Plan, or in a 401(k) plan sponsored by us. The Internet voting procedure is designed to verify the voting

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authority of stockholders. You will be able to vote your shares by the Internet and confirm that your vote has been properly recorded. Please see your proxy card for specific instructions.

By Telephone. You may give your voting instructions using the toll-free number listed on the enclosed proxy card. This method is also available to stockholders who hold shares in the BuyDirect Plan, in the Employee Stock Purchase Plan, or in a 401(k) plan sponsored by us. The telephone voting procedure is designed to verify the voting authority of stockholders. The procedure allows you to vote your shares and to confirm that your vote has been properly recorded. Please see your proxy card for specific instructions.

By Mail. You may sign, date, and mail the enclosed proxy card in the postage-paid envelope provided.

In Person. You may vote in person at the annual meeting.

How do I vote as a street name stockholder?

If your shares are held through a bank or broker, you should receive information from the bank or broker about your specific voting options. If you have questions about voting your shares, you should contact your bank or broker.

If you wish to vote in person at the annual meeting, you will need to bring a legal proxy to the meeting. You must request a legal proxy through your bank or broker. Please note that if you request a legal proxy, any previously executed proxy will be revoked and your vote will not be counted unless you appear at the meeting and vote in person, or legally appoint another proxy to vote on your behalf.

What if I sign and return the proxy card, but do not provide voting instructions?

Proxies that are properly executed and delivered, and not revoked, will be voted as specified on the proxy card. If no direction is specified on the proxy card, the proxy will be voted for the election of the nominees for director described in this proxy statement and for ratification of the appointment of our independent registered public accounting firm for fiscal year 2009.

What if I change my mind after I return my proxy?

You may revoke your proxy and change your vote at any time before the polls close at the annual meeting. You may do this by:

- voting again by the Internet or by telephone prior to 11:59 p.m. Eastern Time, on January 7, 2009;
- giving written notice to our Corporate Secretary that you wish to revoke your proxy and change your vote; or
- voting in person at the annual meeting.

What is a quorum?

The presence of the holders of a majority of the outstanding shares of common stock entitled to vote at the annual meeting, present in person or represented by proxy, is necessary to constitute a quorum. The election inspector appointed for the meeting will tabulate votes cast by proxy and in person at the meeting and determine the presence of a quorum.

Will my shares be voted if I do not sign and return my proxy card, vote by the Internet, vote by telephone, or attend the annual meeting and vote in person?

If you are a stockholder of record and you do not sign and return your proxy card, vote by the Internet, vote by telephone or attend the annual meeting and vote in person, your shares will not be voted and will not count in deciding the matters presented for stockholder consideration in this proxy statement.

If your shares are held in street name through a bank or broker and you do not provide voting instructions before the annual meeting, your bank or broker may vote your shares on your behalf under certain circumstances. Brokerage firms have the authority under certain rules to vote shares for which their customers do not provide voting instructions on routine matters.

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The election of directors and the ratification of the appointment of the independent registered public accounting firm are considered routine matters under these rules. Therefore, brokerage firms are allowed to vote their customers shares on these matters if the customers do not provide voting instructions. If your brokerage firm votes your shares on these matters because you do not provide voting instructions, your shares will be counted for purposes of establishing a quorum to conduct business at the meeting and in determining the number of shares voted for or against the routine matters.

When a proposal is not a routine matter and the brokerage firm has not received voting instructions from the beneficial owner of the shares with respect to that proposal, the brokerage firm cannot vote the shares on that proposal. This is called a broker non-vote.

We encourage you to provide instructions to your brokerage firm by voting your proxy. This action ensures your shares will be voted at the meeting in accordance with your wishes.

How are abstentions and broker non-votes counted?

Broker non-votes will be considered as present for purposes of establishing a quorum but not entitled to vote with respect to that matter. Because the matters for stockholder consideration at the annual meeting are routine matters, the brokers will have discretionary authority to vote the shares and broker non-votes will not affect the outcome of the votes.

How are votes tabulated?

According to our By-Laws, each of the proposed items will be determined as follows:

Election of Directors: The election of directors will be determined by a plurality of votes cast.

All other matters: The voting results of all other matters are determined by a majority of votes cast affirmatively or negatively, except as may otherwise be required by law.

How are proxies solicited and what is the cost?

We will bear all expenses incurred in connection with the solicitation of proxies. We will reimburse brokers, fiduciaries and custodians for their costs in forwarding proxy materials to beneficial owners of common stock. Our directors, officers and employees may solicit proxies by mail, telephone and personal contact. They will not receive any additional compensation for these activities.

Important Notice Regarding the Availability of Proxy Materials for the Stockholder Meeting to be Held on January 8, 2009

The proxy statement and annual report are available at http://bnymellon.mobular.net/bnymellon/ayi.

QUESTIONS AND ANSWERS ABOUT COMMUNICATIONS, GOVERNANCE, AND COMPANY DOCUMENTS

The Board takes seriously its responsibility to represent the interests of stockholders and is committed to good corporate governance. To that end, the Board has adopted a number of policies and processes to ensure effective governance of the Board and the Company.

How do I contact the Board of Directors?

Stockholders and other interested parties may communicate directly with the Board or the non-management directors by writing to the Chairman of the Governance Committee and with members of the Audit Committee by writing to the Chairman of the Audit Committee, each in care of Corporate Secretary, Acuity Brands, Inc., 1170 Peachtree Street, NE, Suite 2400, Atlanta, Georgia 30309. All communications will be forwarded promptly.

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Where can I see the Company s corporate documents and SEC filings?

The following governance documents are available on our website at *www.acuitybrands.com* under Corporate Governance.

Certificate of Incorporation
By-Laws
Corporate Governance Guidelines
Statements of Responsibilities of Committees of the Board (Charters of the Committees)
Statement of Rules and Procedures of Committees of the Board
Code of Ethics and Business Conduct

Copies of any of these documents will be furnished to any interested party if requested in writing to Corporate Secretary, Acuity Brands, Inc., 1170 Peachtree Street, NE, Suite 2400, Atlanta, Georgia 30309.

Our SEC filings are available on our website under SEC Filings and Section 16 Filings.

Our proxy materials and annual report are available on our website under Annual Report/Proxy.

How are directors nominated?

The Governance Committee, comprised of all of the independent directors, is responsible for recommending to the Board a slate of director nominees for the Board to consider recommending to the stockholders, and for recommending to the Board nominees for appointment to fill a new Board seat or any Board vacancy. To fulfill these responsibilities, the Committee annually assesses the requirements of the Board and makes recommendations to the Board regarding its size, composition, and structure. In determining whether to nominate an incumbent director for reelection, the Governance Committee evaluates each incumbent director s continued service in light of the current assessment of the Board s requirements, taking into account factors such as evaluations of the incumbent s performance. Directors whose terms expire at the next annual meeting undergo peer and self assessment prior to being nominated for reelection.

When the need to fill a new Board seat or vacancy arises, the Committee proceeds by whatever means it deems appropriate to identify a qualified candidate or candidates, which may include engaging an outside search firm. The Committee reviews the qualifications of each candidate, including, but not limited to, the candidate s experience, judgment, diversity, and skills in such areas as manufacturing and distribution technologies and accounting or financial management. Final candidates are generally interviewed by one or more Committee members. The Committee makes a recommendation to the Board based on its review, the results of interviews with the candidates, and all other available information. The Board makes the final decision on whether to invite a candidate to join the Board. The Board-approved invitation is extended through the Chairman of the Governance Committee and the Chairman of the Board, President, and Chief Executive Officer.

Director Nominations by Stockholders. The Governance Committee will consider recommendations for director nominees from stockholders made in writing and addressed to the attention of the Chairman of the Governance Committee, c/o Corporate Secretary, Acuity Brands, Inc., 1170 Peachtree Street, NE, Suite 2400, Atlanta, Georgia, 30309. The Governance Committee will consider such recommendations on the same basis as those from other sources. Stockholders making recommendations for director nominees to the Committee should provide the same information required for nominations by stockholders at an annual meeting, as explained below under Next Annual Meeting Stockholder Proposals.

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INFORMATION CONCERNING THE BOARD AND ITS COMMITTEES

Board and Committee Membership

The Board has delegated certain functions to the Executive Committee, the Audit Committee, the Compensation Committee, and the Governance Committee. Our Statement of Responsibilities of the Committees of the Board contains each Committee s charter. For information about where to find the charters, see Questions and Answers about Communications, Governance, and Company Documents . The table below sets forth the current membership of each of the committees:

Director	Executive	Audit	Compensation	Governance
Vernon J. Nagel	Chairman			
Peter C. Browning			X	X
John L. Clendenin		X		X
George C. (Jack) Guynn		X		X
Robert F. McCullough	X	Chairman		X
Julia B. North			X	X
Ray M. Robinson	X		Chairman	X
Neil Williams	X	X		Chairman

During the fiscal year ended August 31, 2008, the Board met four times. All directors attended 100% of the total meetings held by the Board and their respective committees during the fiscal year. We typically expect that each continuing director will attend the annual meeting of stockholders, absent a valid reason. All of the directors serving at the time of last year s annual meeting attended the meeting.

At each regular quarterly Board meeting, the Board meets without management present. Non-management director sessions are led by the Chairman of the Governance Committee.

The Executive Committee is authorized to perform all of the powers of the full Board, except the power to amend the By-Laws and except as restricted by Delaware Law. The Executive Committee is called upon in very limited circumstances due to reliance on the other standing committees of the Board and the direct involvement of the entire Board in governance matters. The Committee met once during the fiscal year.

The Audit Committee is responsible for matters pertaining to our auditing, internal control, and financial reporting, as set forth in the Committee s report (see Report of the Audit Committee) and in its charter. Each member of the Committee is independent under the requirements of the SEC and the Sarbanes-Oxley Act of 2002. In addition, each member of the Committee meets the current independence and financial literacy requirements of the listing standards of the New York Stock Exchange. Each quarter, the Audit Committee meets separately with the independent registered public accounting firm, the internal auditor, and with the chief financial officer and the general counsel of our lighting business, without other management present. The Board has determined that Messrs. Clendenin, Guynn and McCullough satisfy the audit committee financial expert criteria adopted by the SEC and that each of them has accounting and related financial management expertise required by the listing standards of the New York Stock Exchange. The Committee held six meetings during the 2008 fiscal year.

The Compensation Committee is responsible for certain matters relating to the evaluation and compensation of the executive officers and non-employee directors, as set forth in its charter. At most regularly scheduled meetings, the Compensation Committee meets privately with an independent compensation consultant without management present. Annually, the Compensation Committee evaluates the performance of the independent consultant in relation to the Committee s functions and responsibilities. Each member of the Committee is independent under the listing standards of the New York Stock Exchange and is an outside director under Section 162(m) of the Internal Revenue Code (the Code) and a non-employee under Section 16(b) of the Securities Exchange Act of 1934, as amended (the Exchange Act). The Committee held five meetings during the 2008 fiscal year.

The Governance Committee is responsible for reviewing matters pertaining to the composition, organization, and practices of the Board. The Committee s responsibilities, as set forth in its charter, include recommending Corporate Governance Guidelines, recommending the Code of Ethics and Business Conduct, a periodic evaluation

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of the Board in meeting its corporate governance responsibilities, a periodic evaluation of individual directors, and recommending to the full Board a slate of directors for consideration by the stockholders at the annual meeting and candidates to fill any new Board positions or any vacancies on the Board as explained in greater detail above under Questions and Answers about Communications, Governance, and Company Documents. Each member of the Committee is independent under the listing standards of the New York Stock Exchange. The Committee held three meetings during the 2008 fiscal year.

Compensation Committee Interlocks and Insider Participation

The directors serving on the Compensation Committee of the Board during the fiscal year ended August 31, 2008 were Ray M. Robinson, Chairman, Peter C. Browning and Julia B. North. None of these individuals are or ever have been our officers or employees. During the 2008 fiscal year, none of our executive officers served as a director of any corporation for which any of these individuals served as an executive officer, and there were no other Compensation Committee interlocks with the companies with which these individuals or our other directors are affiliated.

COMPENSATION OF DIRECTORS

Non-Employee Directors

We provide each non-employee director with an annual director fee, which includes meeting fees for a specified number of Board and committee meetings. The program is designed to achieve the following goals:

- compensation should fairly pay directors for work required for a company of our size and scope;
- compensation should align directors interests with the long-term interests of stockholders; and
- the structure of the compensation should be simple, transparent, and easy for stockholders to understand.

Annual Director Fees

In fiscal 2008, each non-employee director received an annual director fee in the amount of $130,000, which included the meeting fees for the first five Board meetings and the first five meetings attended for each committee, and an additional fee of $5,000 for serving as chairman of a committee. Non-employee directors received $2,000 for each Board meeting attended in excess of five Board meetings per year and $1,500 for each committee meeting attended in excess of five committee meetings of each committee per year. Fifty percent of the annual director fee, or $65,000, is required to be deferred under the terms of the deferred compensation plan described below, and the remaining fees can be deferred at the election of the director.

Directors who are employees receive no additional compensation for services as a director or as a member of a committee of our Board.

The Board has not approved any changes to non-employee director compensation for fiscal 2009.

Deferred Compensation Plan

Non-employee directors are required to defer one-half of their annual director fee and can elect to defer the remaining portion of the annual director fee and any chairman or meeting fees pursuant to a deferred compensation plan for non-employee directors. The deferred amounts can be invested in deferred stock units to be paid in shares at retirement from the Board or credited to an interest-bearing account to be paid in cash at retirement from the Board. Dividend equivalents on deferred stock units are credited to the interest-bearing account.

Stock Ownership Requirement

Each non-employee director has been subject to a stock ownership requirement that requires the director to attain ownership in Acuity Brands common stock valued at two times the expected annual director fee. For purposes of the ownership requirement, deferred stock units are counted toward the ownership requirement. See Beneficial Ownership of the Company s Securities.

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Director Compensation for Fiscal 2008

The following table sets forth information concerning the fiscal 2008 compensation of our non-employee directors:

Name	Fees Earned or Paid in Cash ($)(1)	Stock Awards ($)(2)(3)	Total ($)(4)
Peter C. Browning	$ 130,000	$ 0	$ 130,000
John L. Clendenin	131,500	0	131,500
George C. (Jack) Guynn	65,000(5)	2,868	67,868
Robert F. McCullough	136,500	0	136,500
Julia B. North	131,500	0	131,500
Ray M. Robinson	135,000	0	135,000
Neil Williams	135,000	0	135,000

(1) The fees earned in 2008 were paid as follows:

Name	Paid as Compensation Deferred to Stock Units $	#	Paid in Cash
Peter C. Browning	$ 65,000	1,474	$65,000
John L. Clendenin	131,500	2,983	0
George C. (Jack) Guynn	32,500	733	32,500
Robert F. McCullough	65,000	1,474	71,500
Julia B. North	65,000	1,474	66,500
Ray M. Robinson	65,000	1,474	70,000
Neil Williams	65,000	1,474	70,000

(2) The amount reported in this column includes the dollar amount, without any reduction for risk of forfeiture, recognized for financial statement reporting purposes for fiscal year 2008 for grants of restricted stock to non-employee directors, calculated in accordance with the provisions of SFAS No. 123(R). The award for Mr. Guynn was granted on March 27, 2008 and will vest in three equal installments on March 27, 2009, 2010, and 2011.

(3) The aggregate number of outstanding stock awards at August 31, 2008 was 457 for Mr. Guynn. The aggregate numbers of outstanding option awards at August 31, 2008 were 7,260 for Mr. Browning, 25,022 for Mr. Clendenin, 0 for Mr. Guynn, 5,445 for Mr. McCullough, 7,260 for Ms. North, 9,691 for Mr. Robinson, and 13,321 for Mr. Williams. Prior to January 2007, we granted the non-employee directors stock options for the purchase of 1,500 shares on the day of the annual meeting. The options vested after one year, are exercisable for ten years and expire at the earlier of ten years from the date of grant or three years following retirement from the Board.

(4) The only perquisite received by directors is a Company match on charitable contributions. The maximum match in any fiscal year is $5,000 and, therefore, is not required to be included in the table.

(5) Fees paid to Mr. Guynn reflect a prorated amount of the annual fee, as he joined the Board in March 2008.

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BENEFICIAL OWNERSHIP OF THE COMPANY S SECURITIES

The following table sets forth information concerning beneficial ownership of our common stock as of November 17, 2008, unless otherwise indicated, by each of the directors and nominees for director, by each of the named executive officers, by all directors and executive officers as a group, and by beneficial owners of more than five percent of our common stock.

Name	Shares of Common Stock Beneficially Owned(1)(2)(3)	Percent of Shares Outstanding(4)	Share Units Held in Company Plans(5)
Mark A. Black	41,183	*	
Peter C. Browning	8,260	*	14,356
John L. Clendenin	30,662	*	41,617
George C. (Jack) Guynn	457	*	1,220
Gordon D. Harnett	1,000	*	
John T. Hartman	69,071	*	
Robert F. McCullough	6,445	*	11,550
Kenyon W. Murphy	13,137	*	
Vernon J. Nagel	834,515	2.0%	
Julia B. North	8,260	*	18,690
Jeremy M. Quick	58,084	*	
Richard K. Reece	137,365	*	
Ray M. Robinson	10,691	*	24,067
Neil Williams	24,607	*	19,842
All directors and executive officers as a group (14 persons)	1,243,737	3.0%	131,342
Artisan Partners Limited Partnership(6)	5,642,365	13.8%	N/A
Barclays Global Investors, N.A.(7)	2,990,291	7.2%	N/A
M & G Investment Management Ltd.(8)	2,502,463	6.1%	N/A
T. Rowe Price Associates, Inc.(9)	2,196,450	5.4%	N/A
Keeley Asset Management Corp.(10)	2,172,480	5.3%	N/A
Columbia Wanger Asset Management, L.P.(11)	2,161,300	5.3%	N/A

* Represents less than one percent of our common stock.

(1) Subject to applicable community property laws and, except as otherwise indicated, each beneficial owner has sole voting and investment power with respect to all shares shown.

(2) Includes shares that may be acquired within 60 days of November 17, 2008 upon the exercise of employee and director stock options, as follows: Mr. Black, 4,300 shares; Mr. Browning, 7,260 shares; Mr. Clendenin, 25,022 shares; Mr. Guynn, 0 shares; Mr. Harnett, 0 shares; Mr. Hartman, 22,785 shares; Mr. McCullough, 5,445 shares; Mr. Murphy, 0 shares; Mr. Nagel, 640,358 shares; Ms. North, 7,260 shares; Mr. Quick, 21,918 shares; Mr. Reece, 69,106 shares; Mr. Robinson, 9,691 shares; Mr. Williams, 13,321 shares; and all

current directors and executive officers as a group, 826,466 shares.

(3) Includes performance-based and time-vesting restricted shares granted under our Long-Term Incentive Plan, portions of which vest in November 2008, 2009 and 2010, December 2008 and 2009, January 2009, March 2009, June 2009 and 2010, July 2009 and 2010, September 2009 and 2010, and October 2009, 2010, 2011 and 2012. The executives have sole voting power over these restricted shares. Restricted shares are included for the following individuals: Mr. Black 28,725 shares; Mr. Guynn, 457 shares; Mr. Hartman, 32,250 shares; Mr. Nagel, 118,300 shares; Mr. Quick, 28,500 shares; Mr. Reece, 52,175 shares; and all executive officers as a group, 260,407 shares.

(4) Based on an aggregate of 40,959,629 shares of Acuity Brands common stock issued and outstanding as of November 17, 2008.

(5) Includes share units held by non-employee directors in the Nonemployee Directors Deferred Compensation Plan and share units held by executive officers in the deferred compensation plan. Share units are considered for purposes of compliance with the Company s share ownership requirement.

(6) This information is based on a Form 13F filed with the SEC by Artisan Partners Limited Partnership, 875 East Wisconsin Avenue, Suite 800, Milwaukee, Wisconsin 53202, on November 13, 2008 containing information as of September 30, 2008.

(7) This information is based on a Form 13F filed with the SEC by Barclays Global Investors, N.A., 400 Howard Street, San Francisco, California 94105, on November 12, 2008 containing information as of September 30, 2008.

(8) This information is based on a Form 13F filed with the SEC by M & G Investment Management Ltd., Laurence Pountney Hill, London, UK, on October 31, 2008 containing information as of September 30, 2008.

(9) This information is based on a Form 13F filed with the SEC by T. Rowe Price Associates, Inc., 100 East Pratt Street, Baltimore, Maryland 21202, on November 14, 2008 containing information as of September 30, 2008.

(10) This information is based on a Form 13F filed with the SEC by Keeley Asset Management Corp., 401 South LaSalle Street, Suite 1201, Chicago, Illinois 60605, on November 10, 2008 containing information as of September 30, 2008.

(11) This information is based on a Form 13F filed with the SEC by Columbia Wanger Asset Management, L.P., 227 West Monroe Street, Chicago, Illinois 60606, on November 10, 2008 containing information as of September 30, 2008.

SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE

Directors, officers and persons who beneficially own more than 10% of our common stock are required by Section 16(a) of the Exchange Act to file reports of ownership and changes in ownership of our common stock with the SEC, the New York Stock Exchange, and us. All filings were timely in fiscal 2008, except that Forms 4 for Messrs. Nagel and Reece were filed late to report a restricted stock grant in November 2007 and a Form 4 for Mr. Guynn was filed late to report a stock unit grant in May 2008, each due to an administrative error.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

There is no family relationship between any of our executive officers or directors, and there are no arrangements or understandings between any of our executive officers or directors and any other person pursuant to which any of them was elected an officer or director, other than arrangements or understandings with our directors or officers acting solely in their capacities as such. Generally, our executive officers are elected annually and serve at the pleasure of our Board.

We have transactions in the ordinary course of business with unaffiliated corporations and institutions, or their subsidiaries, for which certain of our non-employee directors serve as directors. None of our directors serve as executive officers of those companies.

Identifying possible related party transactions involves the following procedures in addition to the completion and review of the customary directors and officers questionnaires. We annually request each director to verify and update the following information:

- a list of entities where the director is an employee, director, or executive officer;
- each entity where an immediate family member of a director is an executive officer;

- each entity in which the director or an immediate family member is a partner or principal or in a similar position or in which such person has a 5% or greater beneficial ownership interest; and
- each charitable or non-profit organization where the director or an immediate family member is an employee, executive officer, director or trustee.

We compile a list of all such persons and entities and it has been reviewed and updated, we distribute it within the Company to identify potential transactions through comparison to ongoing transactions, along with payment and receipt information. Transactions are compiled for each person and entity and reviewed for relevancy. Relevant information, if any, is presented to the Board to obtain approval or ratification of the transactions.

With respect to those companies having common non-employee directors with us, management believes the directors had no direct or indirect material interest in transactions in which we engaged with those companies during the fiscal year.

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PROPOSALS REQUIRING YOUR VOTE

ITEM 1 ELECTION OF DIRECTORS

The Board is responsible for supervising the management of the Company. The Board has determined that all of its current members, except Vernon J. Nagel, the Chairman, President, and Chief Executive Officer, have no material relationship with the Company, and are therefore independent, based on the listing standards of the New York Stock Exchange, the categorical standards set forth in the Governance Guidelines (available on our website at *www.acuitybrands.com* under Corporate Governance and attached as Appendix A), and a finding of no other material relationships.

The members of the Board are divided into three classes serving staggered three-year terms. Directors for each class are elected at the annual meeting of stockholders for the year in which the term for their class expires. Our By-Laws provide that the number of directors constituting the Board shall be determined from time to time by the Board. Currently, the number of directors constituting the Board is fixed at eight.

The terms for three of our directors, Peter C. Browning, John L. Clendenin, and Ray M. Robinson, expire at this annual meeting. Messrs. Browning, Clendenin, and Robinson have been nominated for re-election at the annual meeting. If elected, Messrs. Browning, Clendenin, and Robinson will hold office for three-year terms expiring at the annual meeting for fiscal year 2011 or until their successors are elected and qualified.

On March 27, 2008, George C. (Jack) Guynn was appointed to the class of directors whose term expires at the annual meeting for fiscal year 2009. He was recommended as a candidate by one of our non-management directors, and nominated and vetted in accordance with the Board of Directors Corporate Governance Guidelines. Mr. Guynn will stand for election at the upcoming annual meeting. If elected, Mr. Guynn will hold office until the annual meeting for fiscal year 2009 or until his successor is elected and qualified.

The Board has also nominated Gordon D. Harnett as a member of the class of directors whose term expires at the annual meeting for fiscal year 2010. He was recommended as a candidate by one of our non-management directors, and nominated and vetted in accordance with the Board of Directors Corporate Governance Guidelines. The Board has determined that Mr. Harnett has no material relationship with the Company, and is therefore independent, based on the listing standards of the New York Stock Exchange, the categorical standards set forth in the Governance Guidelines, and a finding of no other material relationships. If elected, Mr. Harnett will hold office until the annual meeting for fiscal year 2010 or until his successor is elected and qualified.

Due to the nomination of Mr. Harnett, the Board has resolved to increase its size to nine directors as of the annual meeting.

Our Governance Guidelines previously provided that directors would not be nominated for election after their 72nd birthday and were expected to offer to resign as of the annual meeting following their 72nd birthday. The term of Mr. Clendenin, who is 74 years old, expires at this annual meeting. After due consideration, the Board determined that it was in the best interests of the Company and its stockholders to waive this provision of the Governance Guidelines to allow the Board to nominate Mr. Clendenin as a director for election after his 72nd birthday. The Board determined, in its discretion, that the Company and the Board should continue to benefit from Mr. Clendenin s leadership. The waiver was adopted in October 2008.

The persons named in the accompanying proxy, or their substitutes, will vote for the election of the nominees listed hereafter, except to the extent authority to vote for any or all of the nominees is withheld. No proposed nominee is being elected pursuant to any arrangement or understanding between the nominee and any other person or persons. All nominees have consented to stand for election at this meeting. If any of the nominees become unable or unwilling to serve, the persons named as proxies in the accompanying proxy, or their substitutes, shall have full discretion and authority to vote or refrain from voting for any substitute nominees in accordance with their judgment.

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Four of the director nominees listed below are currently directors of the Company. One of the director nominees, Mr. Harnett, is not a current director of the Company. Following is a brief summary of each director nominee s business experience, other public company directorships held, and membership on the standing committees of the Board of the Company, if applicable.

Director Nominees for Terms Expiring at the 2011 Annual Meeting

Name and Principal Business Affiliations

PETER C. BROWNING
67 years old
Director since December 2001
Lead Director of Nucor Corporation since 2006
Non-executive Chairman of Nucor Corporation from September 2000 to 2006
Dean of the McColl Graduate School of Business at Queens University of Charlotte, North Carolina, from March 2002 to May 2005
Executive of Sonoco Products Company 1993 to 2000. Last served as President and Chief Executive Officer from 1998 to July 2000
Executive of National Gypsum Company 1989 to 2003. Last served as Chairman, President and Chief Executive Officer.
Executive of Continental Can Company 1964 to 1989. Last served as Executive Vice President.
Director: EnPro Industries, Inc., Lowe s Companies, Inc., Nucor Corporation, The Phoenix Companies, Inc., and Wachovia Corporation
Member of the Compensation and Governance Committees of the Board
If elected, three-year term expires at the Annual Meeting for Fiscal Year 2011

JOHN L. CLENDENIN
74 years old
Director since December 2001
Chairman Emeritus of BellSouth Corporation since December 1997; also served as Chairman from December 1996 to December 1997 and as Chairman, President, and Chief Executive Officer from 1983 until December 1996
Director: Powerwave Technologies, Inc.
Member of the Audit and Governance Committees of the Board
If elected, three-year term expires at the Annual Meeting for Fiscal Year 2011

RAY M. ROBINSON
60 years old
Director since December 2001
Non-executive Chairman of Citizens Trust Bank since May 2003
President of Atlanta s East Lake Golf Club from May 2003 to December 2005, and President Emeritus since December 2005
Vice Chairman of Atlanta s East Lake Community Foundation since January 2005 and Chairman from November 2003 until January 2005
President of the Southern Region of AT&T Corporation from 1996 to May 2003

Director: Aaron Rents, Inc., American Airlines, Avnet, Inc., and Citizens Trust Bank (trading as Citizens Bancshares)

Chairman of the Compensation Committee and a member of the Executive and Governance Committees of the Board

If elected, three-year term expires at the Annual Meeting for Fiscal Year 2011

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Director Nominee for Term Expiring at the 2010 Annual Meeting

GORDON D. HARNETT
65 years old
Nominated for election as a Director to the Board to be effective at the annual meeting in January 2009
Chairman, President and Chief Executive Officer of Brush Engineered Materials Inc. from 1991 until May 2006;
Senior Vice President of The B.F. Goodrich Company (Goodrich) from 1988 to 1991; President and Chief Executive Officer of Tremco Inc., a wholly owned subsidiary of Goodrich, from 1982 to 1988; series of senior executive positions with Goodrich from 1977 to 1982
Director: EnPro Industries, Inc., The Lubrizol Corporation, and PolyOne Corporation
If elected, term expires at the Annual Meeting for Fiscal Year 2010

Director Nominee for Term Expiring at the 2009 Annual Meeting

GEORGE C. (JACK) GUYNN
65 years old
Director since March 2008
President and Chief Executive Officer of the Federal Reserve Bank of Atlanta from 1995 through 2006 and Chief Operating Officer from 1983 through 2005
Director: Genuine Parts Company and Oxford Industries, Inc.
Advisory Board member of ING Americas
Member of the Audit and Governance Committees of the Board
If elected, term expires at the Annual Meeting for Fiscal Year 2009

The Board of Directors recommends that you vote FOR all director nominees.

Directors with Terms Expiring at the 2009 or 2010 Annual Meetings

The directors listed below will continue in office for the remainder of their terms in accordance with our By-Laws.

Name and Principal Business Affiliations

ROBERT F. McCULLOUGH
66 years old
Director since March 2003
Former Chief Financial Officer of AMVESCAP PLC (now known as Invesco Ltd.), from April 1996 to May 2004, and Senior Partner from May 2004 until he retired in December 2006
Joined the New York audit staff of Arthur Andersen LLP in 1964, served as Partner from 1972 until 1996, and served as Managing Partner in Atlanta from 1987 until April 1996

Certified Public Accountant

Member of the American Institute of Certified Public Accountants and the Georgia Society of Certified Public Accountants

Director: Comverge, Inc. and Schweitzer-Mauduit International, Inc.

Chairman of the Audit Committee and a member of the Executive and Governance Committees of the Board

Term expires at the Annual Meeting for Fiscal Year 2010

Name and Principal Business Affiliations

VERNON J. NAGEL

51 years old

Director since January 2004

Chairman and Chief Executive Officer of the Company since September 2004

President since August 2005

Vice Chairman and Chief Financial Officer from January 2004 through August 2004, and Executive Vice President and Chief Financial Officer from December 2001 to January 2004

Certified Public Accountant (inactive)

Serves on the Governance Board of the National Electrical Manufacturers Association

Chairman of the Executive Committee of the Board

Term expires at the Annual Meeting for Fiscal Year 2009

JULIA B. NORTH

61 years old

Director since June 2002

President and Chief Executive Officer of VSI Enterprises, Inc., a Georgia-based manufacturer of video conferencing systems, from November 1997 to July 1999

Held various positions at BellSouth Corporation from 1972 through October 1997, most recently as President, Consumer Services, presiding over BellSouth s largest business unit

Director: Community Health Systems, Inc. and NTELOS Holding Corp.

Member of the Compensation and Governance Committees of the Board

Term expires at the Annual Meeting for Fiscal Year 2009

NEIL WILLIAMS

72 years old

Director since December 2001

General Counsel of AMVESCAP PLC (now known as Invesco Ltd.), from October 1999 until his retirement in December 2002

Partner with the law firm Alston & Bird LLP and its predecessors from 1965 to October 1999 and served as managing partner from 1984 to 1996

Vice Chairman and Trustee of The Duke Endowment, Charlotte, North Carolina

Chairman of the Governance Committee and a member of the Executive and Audit Committees of the Board

Term expires at the Annual Meeting for Fiscal Year 2010

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ITEM 2 RATIFICATION OF THE APPOINTMENT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

At the annual meeting, a proposal will be presented to ratify the appointment of Ernst & Young LLP (E&Y) as the independent registered public accounting firm to audit our financial statements for the fiscal year ending August 31, 2009. E&Y has performed this function for us since 2002. One or more representatives of E&Y are expected to be present at the annual meeting and will be afforded the opportunity to make a statement if they so desire and to respond to appropriate stockholder questions. Information regarding fees paid to E&Y during fiscal year 2008 is set out below in Fees Billed by Independent Registered Public Accounting Firm.

The Board of Directors recommends that you vote FOR the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee and the Board of Directors previously adopted a written charter to set forth the Audit Committee s responsibilities. The charter is reviewed annually and amended as necessary to comply with new regulatory requirements. A copy of the Audit Committee charter, which is included in the Statement of Responsibilities of Committees of the Board, is available on the Company s website at *www.acuitybrands.com* under the heading, Corporate Governance. The Audit Committee is comprised solely of independent directors, as such term is defined by the listing standards of the New York Stock Exchange.

As required by the charter, the Audit Committee reviewed the Company s audited financial statements and met with management, as well as with E&Y (with and without management present), to (1) discuss the financial statements, (2) discuss their evaluations of the Company s internal controls over financial reporting, and (3) discuss their knowledge of any fraud, whether or not material, that involved management or other employees who had a significant role in the Company s internal controls.

The Audit Committee received from E&Y the required written disclosures and the letter from E&Y regarding their independence and the report regarding the results of their integrated audit. In connection with its review of the financial statements and the auditors required communications and reports, the members of the Audit Committee discussed with a representative of E&Y their independence, as well as the following:

- the auditors responsibilities in accordance with generally accepted auditing standards;
- the initial selection of, and whether there were any changes in, significant accounting policies or their application;
- all material alternative accounting treatments under U.S. Generally Accepted Accounting Principles;
- other information in documents containing audited financial statements;
- management s judgments and accounting estimates;
- whether there were any significant audit adjustments;
- whether there were any disagreements with management;
- whether there was any consultation with other accountants;
- whether there were any major issues discussed with management prior to the auditors retention;
- whether the auditors encountered any difficulties in performing the audit; and
- the auditors judgments about the quality of the Company s accounting policies.

Based on its discussions with management and the Company s independent registered public accounting firm referenced above, the Audit Committee did not become aware of any material misstatements or omissions in the financial statements. Accordingly, the Audit Committee recommended to the Board of Directors that the financial statements be included in the Company s Annual Report on Form 10-K for the fiscal year ended August 31, 2008 for filing with the SEC.

AUDIT COMMITTEE

Robert F. McCullough, Chairman
John L. Clendenin
George C. (Jack) Guynn
Neil Williams

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FEES BILLED BY INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The following table sets forth the aggregate fees billed during the fiscal years ended August 31, 2008 and 2007:

	2008	2007
Fees Billed:		
Audit Fees	$ 1,984,214	$ 3,339,577
Audit-Related Fees	95,694	130,000
Tax Fees	126,024	192,278
Total	$ 2,205,932	$ 3,661,855

Audit Fees include fees for services rendered for the audit of our annual financial statements and the review of the interim financial statements included in quarterly reports. Audit fees also include fees associated with rendering an opinion on our internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002. The 2007 amount also includes audit fees associated with the spin-off of Zep Inc.

Audit-Related Fees include amounts billed to us primarily for the annual audits of our defined contribution plans.

Tax Fees include amounts billed to us primarily for domestic and international tax compliance and a review of our federal income tax return in 2007 and international tax compliance in 2008.

The Audit Committee has established policies and procedures for the approval and pre-approval of audit services and permitted non-audit services. The Audit Committee has the responsibility to engage and terminate our independent registered public accounting firm, to pre-approve the performance of all audit and permitted non-audit services provided to us by our independent registered public accounting firm in accordance with Section 10A of the Exchange Act, and to review with our independent registered public accounting firm their fees and plans for all auditing services. All fees paid to E&Y were pre-approved by the Audit Committee and there were no instances of waiver of approval requirements or guidelines.

The Audit Committee considered the provision of non-audit services by the independent registered public accounting firm and determined that provision of those services was compatible with maintaining auditor independence.

There were no reportable events as that term is described in Item 304(a)(1)(v) of Regulation S-K.

OTHER MATTERS

We know of no other business to be transacted, but if any other matters do come before the meeting, the persons named as proxies in the accompanying proxy, or their substitutes, will vote or act with respect to them in accordance with their best judgment.

MANAGEMENT

Executive Officers

Executive officers are elected annually by the Board and serve at the discretion of the Board. Vernon J. Nagel serves as a Director and as an executive officer. His business experience is discussed above in Item 1 Election of Directors Directors with Terms Expiring at the 2009 and 2010 Annual Meetings.

Other executive officers as of the date of the Proxy Statement are:

Name and Principal Business Affiliations

RICHARD K. REECE

52 years old

Executive Vice President of the Company since September 2006; Senior Vice President from December 2005 to September 2006; and Chief Financial Officer since December 2005

Vice President, Finance and Chief Financial Officer of Belden Inc. (Belden) from April 2002 to November 2005

President of Belden s Communications Division from June 1999 to April 2002

Vice-President Finance, Treasurer and Chief Financial Officer of Belden from August 1993 to June 1999

Certified Public Accountant

Member of the American Institute of Certified Public Accountants and the Texas Society of Certified Public Accountants, and the Financial Executives Institute

Serves on the Board of the National Association of Manufacturers

MARK A. BLACK

47 years old

Executive Vice President, Supply Chain of Acuity Brands Lighting, Inc. since December 2007

Senior Vice President, Acuity Business Systems for Acuity Brands, Inc. from September 2006 until December 2007

Independent consultant for Lean principles and implementation from September 2003 until August 2006

President of CPM, Inc. from December 2000 until August 2003

Vice President of Operations and Corporate Officer of WPT Inc. from May 1997 through January 2000

JOHN T. HARTMAN

49 years old

Executive Vice President of Acuity Brands Lighting, Inc. since June 2006; Chief Commercial Officer since January 2008; General Manager Commercial and Industrial Group from June 2006 through January 2008; and Senior Vice President, International

Business from May 2004 through May 2006

President of Growth Vector from December 2001 through August 2005

Executive Vice President of BellSouth International, a subsidiary of BellSouth Corporation, from 1999 through 2001

Vice President, Customer Offer and Marketing of BellSouth Entertainment, a subsidiary of BellSouth Corporation, from 1994 through 1999

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Name and Principal Business Affiliations

JEREMY M. QUICK

50 years old

Executive Vice President and Chief Financial Officer of Acuity Brands Lighting, Inc. since December 2004

Executive Vice President, Operations, Climate Controls Division of Invensys PLC from December 2002 through December 2004

Vice President, Finance, Energy Services Division of Invensys PLC from 1998 through December 2002

Vice President, Finance, Oldcastle Glass Division of CRH PLC from 1995 through 1998

Chartered Accountant (UK)

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EXECUTIVE COMPENSATION

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed with management the following Compensation Discussion and Analysis section of the Proxy Statement. Based on its review and discussions with management, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis be included in the Proxy Statement for fiscal 2008 for filing with the SEC.

The Compensation Committee

Ray M. Robinson, Chairman
Peter C. Browning
Julia B. North

COMPENSATION DISCUSSION AND ANALYSIS

This section of the proxy statement describes the material elements of the fiscal 2008 compensation program for the executive officers named in the Summary Compensation Table, who are called the named executive officers. This section also includes information about our executive compensation philosophy, the overall objectives of our compensation program and each element of compensation that we provide. It also describes the key factors the Compensation Committee considers in determining compensation for the named executive officers.

For fiscal 2008, our named executive officers are:

Vernon J. Nagel, Chairman, President and Chief Executive Officer of Acuity Brands, Inc.;
Richard K. Reece, Executive Vice President and Chief Financial Officer of Acuity Brands, Inc.;
Mark A. Black, Executive Vice President, Supply Chain of Acuity Brands Lighting, Inc.;
John T. Hartman, Executive Vice President and Chief Commercial Officer of Acuity Brands Lighting, Inc.;
Jeremy M. Quick, Executive Vice President and Chief Financial Officer of Acuity Brands Lighting, Inc.; and
Kenyon W. Murphy, Executive Vice President, Chief Administrative Officer, and General Counsel of Acuity Brands, Inc. until that position was eliminated in January 2008.

The Spin-Off

Historically, Acuity Brands, Inc. owned and managed two businesses that serve distinctive markets lighting equipment and specialty products. The lighting equipment segment, operated by Acuity Brands Lighting, Inc. and other subsidiaries, referred to as ABL, designs, produces, and distributes a broad array of indoor and outdoor lighting fixtures and lighting related products and services for commercial and institutional, industrial, infrastructure, and residential applications for various markets throughout North America and select international markets. The specialty products segment, operated by Zep Inc., is a producer, marketer, and service provider of a wide range of cleaning and maintenance solutions for commercial, industrial, institutional, and consumer end-markets primarily throughout North America and Europe. We completed the spin-off of Zep Inc. on October 31, 2007. We continue to operate in the lighting equipment business segment.

Key Fiscal 2008 Accomplishments

We had a very successful year in 2008, achieving record financial results in a number of key metrics. In addition, we completed the spin-off to our shareholders of our specialty chemicals business, creating two more focused organizations positioned to pursue their own growth strategies more effectively. Our financial accomplishments are especially noteworthy since we had to overcome a significant rise in commodity prices and the turbulent economic conditions in the U.S., along with the weak demand that continues to prevail in the residential housing market and for new store construction in certain retail channels. Key financial accomplishments in fiscal 2008 include:

- Income from continuing operations for fiscal 2008 increased over 15% to $148.6 million;
- Diluted earnings per share (EPS) from continuing operations increased 22% to $3.57;

- Consolidated net sales were $2,026.6 million, an increase of 3%;
- Operating profit was $261.1 million, an increase of 17%; and
- Operating profit margin was 12.9%, an increase of more than 150 basis points.

These results exclude the specialty chemicals business, which was spun off to the shareholders of Acuity Brands on October 31, 2007 as Zep Inc. These results do include a $14.6 million pre-tax special charge, or $0.21 per diluted share, for actions taken to streamline and simplify the organization, including the corporate office, following the spin-off of Zep Inc.

Compensation Philosophy

We aspire to be a premier industrial company capable of delivering consistent upper quartile performance to our stockholders. We define upper quartile performance using specific metrics, including:

- Annual growth in earnings per share of 15% or greater;
- Operating profit margins of at least 12%;
- Return on stockholders equity of 20% or better;
- Generation of cash flow from operations less capital expenditures in excess of net income; and
- Consistency and sustainability in these measures of performance.

As we believe there must be a strong relationship between executive compensation and the creation of value for stockholders, we strive to pay upper quartile (75^{th} percentile) compensation only when we achieve upper quartile performance.

Our philosophy is to compensate management and other key associates through a combination of base salary and variable incentive compensation based on Company performance. To create a true pay-for-performance environment, total compensation is comprised of a base salary, generally targeted to be at median (or lower, as in the case of Mr. Nagel), plus significant at-risk performance-based variable annual and long-term incentive compensation. Our executive compensation program has been guided by the following principles, which are intended to support our pay-for-performance philosophy:

- Total compensation programs should be designed to strengthen the relationship between pay and performance, with a resulting emphasis on variable, rather than fixed, forms of compensation;
- Compensation should generally increase with position and responsibility. Total compensation should be higher for individuals with greater responsibility and greater ability to influence the Company s results; and
- Management should focus on the long-term interests of stockholders.

The executive compensation program is designed to:

- Attract and retain executives by providing a competitive reward and recognition program that is driven by our success;
- Provide rewards to executives who create value for stockholders;
- Consistently recognize and reward superior performers, measured by achievement of results and demonstration of desired behaviors; and
- Provide a framework for the fair and consistent administration of pay policies.

In implementing our compensation philosophy, we emphasize the significant amount of risk factored into the total direct compensation mix (base salary and annual and long-term incentive awards) of our named executive officers with expectations for sustained upper quartile Company performance. This places each executive officer s total direct compensation opportunity subject to considerable leverage low fixed pay in the form of base salary and a wide range of possible outcomes with respect to annual and long-term incentive compensation driven by performance. A distinct example of this strategy is the compensation opportunity of our Chief Executive Officer, Vernon J. Nagel. Mr. Nagel s base salary is established at the lower quartile of the Company s peer group (described below), and has remained fixed at this low level for several years. At the same time, Mr. Nagel s annual incentive target is structured to provide an opportunity for him to earn total annual cash compensation at the upper quartile of competitive compensation benchmarks by establishing targeted levels of performance for Mr. Nagel at upper quartile levels of Company performance as compared to the Company s peers.

Role of Compensation Consultant

Under its charter, the Compensation Committee is authorized to engage outside advisors at our expense. In fiscal 2008, the Compensation Committee engaged the compensation consulting firm of Towers Perrin to advise the Committee regarding compensation of our executive officers, and other compensation-related matters such as benefit plans. The Compensation Committee periodically approves an engagement letter that describes the duties to be performed by the consultant and the related costs. The chairman of the Compensation Committee may make additional requests of Towers Perrin during the year on behalf of the Committee. Management may periodically engage Towers Perrin to perform research to support matters to be presented to the Compensation Committee by management. During fiscal year 2008, Towers Perrin provided additional consulting services to the Company which included investment advice and performance reporting for the Company s domestic qualified defined benefit and defined contribution plans.

Under the engagement letter for fiscal 2008, Towers Perrin performed the following services for the Compensation Committee, in addition to preparation for and attendance at meetings of the Compensation Committee:

- provided market pricing analysis for the chief executive officer;
- reviewed the draft proxy statement and provided drafting input and disclosure suggestions; and
- throughout the year, provided the Compensation Committee and management with assistance and support on various issues, including data and advice with respect to executive retirement plans and updates related to evolving governance trends.

During fiscal year 2008, the Compensation Committee met in executive session to discuss and evaluate the performance of Towers Perrin in serving as the Committee s independent advisor. Based on its evaluation, the Compensation Committee decided to engage the Towers Perrin firm as its advisor for fiscal year 2009.

Market Data

The Compensation Committee annually compares the various elements of our executive compensation program with respect to the chief executive officer in order to gauge compensation levels relative to that of the market and our competitors through the use of publicly available market surveys and total compensation studies and long-term incentive compensation analyses provided by the Compensation Committee s compensation consultant, Towers Perrin. The Compensation Committee performs similar comparisons for our other executive officers periodically, though it did not perform such a comparison for our other executive officers in fiscal 2008.

During fiscal 2008, Towers Perrin provided compensation data for purposes of the chief executive officer s compensation review. The compensation data was obtained from the Towers Perrin 2008 Compensation Data Bank Executive Compensation Database and the Watson Wyatt Worldwide s 2008/2009 Top Management Compensation Calculator. In each case, the total sample of survey participants was narrowed to include only those companies of comparable-size that are representative of the companies with whom Acuity Brands competes for executive talent.

For purposes of analyzing the chief executive officer s compensation, at the request of the Compensation Committee, Towers Perrin compiled a list of recommended peer companies that would be a representative example of organizations of comparable size and business focus. Towers Perrin developed a list of recommended peer companies based upon an assessment of each company s annual revenues, market capitalization, one-year and three-year levels of historical profitability, and one-year and three-year levels of historical total shareholder returns. The Compensation

Committee reviewed the recommendations of the consultant and approved the list of peer companies. The following list of 19 companies comprising the peer group are selected to represent a diverse, general industry composite including consumer products, industrial manufacturing, and/or wholesale/retail trade

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companies with size and financial characteristics generally comparable to the Company. For fiscal 2008, the 19 companies making up the peer group included:

Actuant Corporation	MEMC Electronic Materials, Inc.
AK Steel Holding Corporation	Phillips-Van Heusen Corporation
AMETEK Inc.	Ralcorp Holdings, Inc.
Belden Inc.	Roper Industries, Inc.
The Brink s Company	Steelcase, Inc.
Columbia Sportswear Company	Thomas & Betts Corporation
Cooper Industries, Ltd.	The Toro Company
Graco Inc.	Tupperware Brands Corporation
Hubbell Incorporated	Western Digital Corporation
Lincoln Electric Holdings, Inc.	

General Compensation Levels

The total direct compensation opportunities offered to our executive officers have been designed to ensure that they have a strong relationship with the creation of value for stockholders, are competitive with market practices, support our executive recruitment and retention objectives, and are internally equitable among executives. The annual and long-term incentive portions of total direct compensation are performance-based and provide compensation in excess of base salary only when performance goals are met.

In determining total direct compensation opportunities, the Compensation Committee considers: compensation information and input, including market data, provided by its compensation consultant, Towers Perrin; the evaluation by the Board of Directors of the chief executive officer; and the chief executive officer s performance review and recommendation for each other executive officer. The market data provides competitive compensation information for positions of comparable responsibilities with comparably-sized manufacturing companies that are representative of the companies with whom Acuity Brands competes for executive talent.

Weighting and Selection of Elements of Compensation

The Compensation Committee determines the mix and weightings of each of the compensation elements by considering comparative compensation data as described above. Generally, in fiscal 2008 and the past several years, the most significant percentage of targeted compensation was allocated to long-term incentive awards. Base salary is the only portion of compensation that is assured. While the Compensation Committee has established a framework to assure that a significant portion of aggregate target total direct compensation is at risk for senior executives, actual amounts earned depend on annual performance of the business and the individual.

The Compensation Committee uses plan guidelines as well as its judgment and discretion in deciding the mix and value of total long-term incentive compensation. The Compensation Committee uses various equity-related vehicles, including restricted stock and stock options, to motivate executives to act like stockholders and to focus on the long-term performance of the business. All long-term incentives are performance-based and payout is entirely determined by Company performance (for ABL executives, ABL performance), in each case subject to adjustment based on individual performance. Once the applicable performance criteria have been satisfied, an award of time-vesting restricted stock or stock options, or a combination of both, is made to the participants. Restricted stock and stock options are designed to mirror stockholder interests and make executives sensitive to upside potential and stockholder gains, as well as to downside risk, because a change in the stock price affects overall compensation.

Elements of Executive Compensation

We use the following compensation elements in our executive compensation program:

- Base salary;
- Annual cash incentives (such as the annual cash award opportunities available under the various performance-based incentive plans, performance bonuses, and retention bonuses);

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- Performance-based long-term incentives; and
- Post-termination compensation (such as retirement benefits and severance and change in control arrangements).

The compensation program also includes minimal perquisites and other personal benefits (only a charitable contribution match in fiscal 2008). In addition, named executive officers generally participate in our health and welfare plans on the same basis as other full-time employees.

The objective for each element of compensation is described below.

Element of Compensation	Objective
Base Salary	Provide a competitive level of secure cash compensation; and Reward individual performance, level of experience and responsibility.
Performance-Based Annual/Short-Term Incentive	Provide variable pay opportunity for short-term performance; and Reward individual performance and Company or business unit performance.
Performance-Based Long-Term Incentive	Provide variable pay opportunity for long-term performance; Reward individual performance and overall Company performance (ABL performance for ABL executives); and Align executives with interests of stockholders.
Post-termination Compensation	Encourage long-term retention through pension benefits; and Provide a measure of security against possible employment loss through a change in control or severance agreement in order to encourage the executive to act in the best interests of the Company and stockholders.

Base Salary

The Compensation Committee sets base salary to be competitive with the general market. The base salary is designed to attract talented executives and provide a secure base of cash compensation. Salary adjustments may be made annually as merited or on promotion to a position of increased responsibility. The base salaries of executives generally are set near or below the 50th percentile. For the chief executive officer, the Compensation Committee considers the peer group data described above in determining market levels. For the other executive officers, the Compensation Committee considers periodic studies issued by various consulting firms to determine market levels.

In accordance with our pay-for-performance philosophy, Mr. Nagel s salary is in the bottom quartile of the peer group and has not been increased since 2004. A significant portion of Mr. Nagel s compensation, as well as for most senior levels of management, is tied to variable compensation based on Company performance. Messrs. Reece, Black, Quick and Murphy did not receive a base salary increase in fiscal 2008. Effective March 1, 2008, the Compensation Committee increased Mr. Hartman s base salary from $310,000 to $360,000 in connection with an organizational realignment which included Mr. Hartman s assumption of increased responsibilities as Chief Commercial Officer for all brands of Acuity Brands Lighting.

The Compensation Committee approved base salary increases for fiscal 2009, effective November 1, 2008, as follows: Mr. Reece s salary was increased to $412,000 from $400,000; Mr. Black s salary was increased to $320,000 from $300,000; and Mr. Quick s salary was increased to $320,000 from $310,000. The increases were based on considerations of individual performance of each executive officer, as well as internal pay equity among senior management. Mr. Nagel did not receive a base salary increase, as the Compensation Committee continued to believe that any increased compensation for the chief executive officer should be tied to Company performance. Mr. Hartman did not receive an increase as his salary was increased in fiscal 2008.

Short-Term Incentives

Performance-based annual incentive compensation is a key component of our executive compensation strategy. This element is designed to be a significant at-risk component of overall compensation.

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Annual incentive awards are made under the Acuity Brands, Inc. 2007 Management Compensation and Incentive Plan (the Annual Incentive Plan), which was approved by Acuity Brands stockholders at the January 2008 annual meeting. The Annual Incentive Plan is designed to motivate executive officers to attain specific short-term performance objectives that, in turn, further our long-term objectives.

At the start of a fiscal year, an annual incentive target, stated as a percentage of base salary, is determined for each participant. Measures of Company and ABL financial performance for the fiscal year are also determined. The actual award earned is based on the results of financial performance for the fiscal year. In addition, for Messrs. Nagel and Reece, the actual award earned is subject to the application of negative discretion by the Compensation Committee. The Committee takes into account individual performance for the fiscal year in applying the negative discretion. The award, if earned, is paid in cash.

Financial Performance General

Generally, at the beginning of the fiscal year, the Compensation Committee selects the annual financial performance measures and sets the annual financial performance goals at the threshold, target and maximum levels, which determine payouts. For most participants, achieving target financial performance would yield an award of 100% of the target amount set at the beginning of the year, excluding any individual performance factor. However, for Messrs. Nagel and Reece, achieving target financial performance would yield an award of 200% of the target amount, which is then subject to the application of negative discretion by the Compensation Committee. The target and maximum levels are structured this way for certain senior executives to comply with the requirements of Section 162(m) of the Code (see Tax Deductibility Policy below). Actual financial performance for the fiscal year determines the total amount of dollars available for the incentive pool for annual incentive awards to all eligible employees, including the named executive officers. Financial performance percentages are interpolated for performance falling between stated performance measures.

When deciding what financial measures to use at the start of a fiscal year, and the threshold, target and maximum levels of achievement of those measures, the Compensation Committee carefully considers the state of our business and what financial measures are most likely to focus the participants, including the named executive officers, on making decisions that deliver short-term results aligned with long-term goals. The Committee considers management s recommendations regarding the appropriate financial measures. The financial measures are chosen from an array of possible financial measures included in the Annual Incentive Plan.

Financial performance is measured separately for Acuity Brands as a whole and for the ABL business unit. Depending on the named executive officer s responsibilities, the calculation of his annual incentive award is measured and determined based on Company-wide performance or ABL business unit performance, as appropriate for that named executive officer.

Fiscal 2008 Financial Performance Measures and Weighting

The performance measures and weighting for fiscal 2008 awards were established by the Compensation Committee and ratified by the Board of Directors early in the fiscal year and were intended to drive business and individual performance supporting our long-term financial goals and resulting in market appreciation for stockholders. For fiscal 2008, the performance measures and weighting selected were as follows:

Company Performance	ABL Performance
Earnings per share (34)%	Operating profit (34)%
Adjusted consolidated EBIT[1] margin (33)%	Operating profit margin (33)%

Adjusted cash flow (33)%	Adjusted cash flow (33%)

These were primarily the same performance measures and weightings that the Committee used for fiscal 2007.

[1] Defined as earnings before interest and taxes.

Individual Performance

Performance of individual participants in the Annual Incentive Plan, including the named executive officers, is evaluated after the end of the fiscal year by (1) comparing actual performance to daily job responsibilities and pre-established individual objectives consistent with overall company objectives and (2) considering, on a qualitative basis, whether the individual s performance reflects our corporate values and business philosophies, such as continuous improvement.

The individual objectives for Mr. Nagel were set with the approval of the Compensation Committee. The individual objectives for the other named executive officers were set after individual discussion with the chief executive officer. The individual objectives established for the named executive officers include objectives that are common across all executives, and objectives specific to each individual s role at our company. For example, an individual objective common for all of the named executive officers included the further development and implementation of continuous improvement (or Lean) processes and culture within the Company. The successful spin-off of Zep Inc. was an individual objective for Messrs. Nagel and Reece. At the end of the fiscal year, each participant, including the named executive officers, is given an individual performance management process rating (a PMP Rating), which is translated to a PMP Payout Percentage.

The maximum PMP Payout Percentage that can be earned by participants in the plan is 133%. However, for Messrs. Nagel and Reece, the maximum PMP Payout Percentage that can be earned is 120% and that maximum percentage is assumed as being met for annual incentive award purposes prior to the application of negative discretion by the Compensation Committee. At the end of the fiscal year, the Compensation Committee or the Board, as applicable, selects the precise payout percentage within the range (or reduces the assumed percentage for Messrs. Nagel and Reece) based on factors such as level of responsibility and impact on our performance, with calibrations made across comparable positions to achieve consistency of the percentages selected.

The table below sets forth the range of PMP Ratings and the possible PMP Payout Percentages for all participants.

	Range of PMP Payout Percentage	
PMP Rating	**Minimum**	**Maximum**
4.75 - 5.00 (Exceptional)	110%	133%*
3.75 - 4.74 (Superior)	90%	120%
2.75 - 3.74 (Commendable)	70%	110%
1.75 - 2.74 (Fair)	0%	70%
Below 1.75 (Unacceptable)	0%	0%

* For Messrs. Nagel and Reece, the maximum PMP Payout Percentage that can be earned is 120%.

Determination of Award

The level of financial performance is determined after the end of the fiscal year based on actual business results compared to the financial measures set at the beginning of the fiscal year. In addition, the chief executive officer annually prepares a written report for the Compensation Committee, summarizing the individual performance goals and achievements of the named executive officers, including himself. The Compensation Committee reviews the written report and considers it in determining the awards. The amount of each actual annual incentive award, including the awards to the named executive officers, is determined as follows:

Base Salary x (Annual Incentive Target % x Financial Performance Payout %) x PMP Payout %

The Annual Incentive Target Percentage, representing the percentage of base salary used in the determination of the award, is set at the beginning of the year for each of the named executive officers. For fiscal 2008, they were as follows: Mr. Nagel 150%; Mr. Reece 65%; Mr. Black 55%; Mr. Hartman 60%; Mr. Quick 55%; and Mr. Murphy 60%.

The Financial Performance Payout Percentage at target is 100% for most participants in the Annual Incentive Plan. For Messrs. Nagel and Reece, the Financial Performance Payout Percentage at target is 200%. The greater percentage is designed to facilitate the Compensation Committee s application of negative discretion as it considers appropriate in accordance with the provisions of Section 162(m) of the Code.

For example, for Mr. Nagel the calculation for his annual incentive award, assuming that Company performance was at target and that he received an actual PMP Rating of superior equivalent to a PMP Payout Percentage of 120%, would be as follows:

$600,000 x (150% x 200%) x 120% = $2,160,000

The Compensation Committee then determines the final award by applying negative discretion as it considers appropriate in accordance with the requirements of Section 162(m) of the Code.

Fiscal 2008 Annual Incentive Award

The following table outlines the fiscal 2008 performance measures, the weighting for each performance measure and the threshold, target, maximum, and actual 2008 performance levels, as determined by the Compensation Committee. In accordance with our pay-for-performance philosophy, the performance measures at the target level are set at a level approximately equal to the 75th percentile of longer-term financial performance for public companies in the S&P 500 and S&P 600 indexes.

Because the performance levels at threshold, target and maximum were derived from our long-term financial performance targets, which are in the upper quartile of financial performance for industrial companies, they differed from the operating plan targets for fiscal 2008. In setting the performance level for fiscal 2008, the Compensation Committee set performance measures that were adjusted to reflect the spin-off of Zep Inc. The maximum award is designed to reward only exceptional performance.

		Performance Objectives ($ in millions, except earnings per share)			Actual Performance
	Weighting	**Threshold**	**Target**	**Maximum**	**Fiscal 2008**
Acuity Brands, Inc. (1)					
Earnings per Share (from continuing operations)	34%	$2.57	$2.93	$3.85	$3.57
Adjusted Consolidated EBIT Margin (2)	33%	10.5%	11.2%	12.9%	12.9%
Adjusted Cash Flow (3)	33%	$107	$123	$162	$196
Acuity Brands Lighting (4)					
Operating Profit	34%	$225	$249	$310	$292
Operating Profit Margin	33%	12.1%	12.7%	14.3%	14.4%
Adjusted Cash Flow (5)	33%	$222	$246	$307	$324

(1) Under which the fiscal 2008 annual incentive awards were determined for Messrs. Nagel, Reece and Murphy. As expected, the Compensation Committee exercised negative discretion in determining the final fiscal 2008 awards for Messrs. Nagel and Reece.

(2) Adjusted consolidated EBIT margin is defined as consolidated EBIT margin plus (minus) foreign currency net losses (gains).

(3) Acuity Brands adjusted cash flow is defined as cash flow from operations less purchases of property, plant, and equipment plus proceeds from sale of property, plant, and equipment, plus (minus) the positive (negative) effect of exchange rate changes on cash.

(4) Under which the fiscal 2008 annual incentive awards were determined for Messrs. Black, Hartman and Quick.

(5) Acuity Brands Lighting adjusted cash flow is defined as the business unit s cash flow from operations less purchases of property, plant, and equipment plus proceeds from sale of property, plant, and equipment.

In October 2008, based on the Compensation Committee s certification of performance with respect to fiscal 2008 annual incentive targets using information prepared by the finance department, the Board approved the Compensation Committee s recommendations with respect to fiscal 2008 annual incentives for the named executive officers. The following table outlines the threshold, target, maximum, and actual 2008 awards earned under the Annual Incentive Plan for each of the named executive officers for fiscal 2008 as a dollar amount (in thousands).

The target level awards assume that the PMP Rating was 120% (superior) and the maximum level awards assume the highest PMP Rating eligible for each participant.

Named Executive Officer	Annual Incentive Target %	Threshold ($)	Target ($)	Maximum ($)	Actual 2008 Annual Incentive Award Earned ($)
			($ in thousands)		
Vernon J. Nagel	150%	$ 0	$ 2,160	$ 4,000**(1)**	$ 3,000**(2)**
Richard K. Reece	65	0	624	1,248	850**(2)**
Mark A. Black	55	0	198	658	570
John T. Hartman	60	0	241	802	535
Jeremy M. Quick	55	0	205	680	525
Kenyon W. Murphy	60	0	171	512	382**(3)**

(1) The maximum award for Mr. Nagel was capped by the Annual Incentive Plan s limit of a $4 million maximum award payable to an individual participant for any fiscal year.

(2) Reflects application of negative discretion by the Compensation Committee in determining the final awards.

(3) The actual incentive award calculation for Mr. Murphy did not include a PMP Rating, in accordance with his severance agreement.

Based on the achievement of Company performance measures and their assumed PMP Ratings, Messrs. Nagel and Reece were eligible to receive annual incentive awards of $4,000,000 and $1,218,000, respectively. In accordance with past practice, the Compensation Committee exercised negative discretion to reduce the amount of the awards for Messrs. Nagel and Reece, as shown in the table above. Based on the achievement of ABL performance measures and their PMP Rating, Messrs. Black, Hartman and Quick earned annual incentive awards of $570,000, $535,000, and $525,000, respectively. Mr. Murphy s award was also based on the achievement of Company performance measures, and was prorated for the time that he served as an employee during fiscal 2008. There was no negative discretion applied to the amounts for Messrs. Black, Hartman, Quick and Murphy.

Long-Term Incentives

A substantial portion of the total direct compensation of our named executive officers is delivered in the form of long-term equity, including restricted stock and stock options. Equity incentive awards are generally granted on an annual basis and are allocated based on the achievement of Company-wide financial targets, business unit operating targets, if applicable, and individual performance ratings. Awards are made under the Amended and Restated Acuity Brands, Inc. Long-Term Incentive Plan (the LTIP), which was approved by stockholders at the January 2008 annual meeting.

The purpose of the LTIP is to enable executive officers and other eligible associates to accumulate capital through future managerial performance, which the Compensation Committee believes contributes to the future success of our

Company. The LTIP creates a pool of equity available for annual grants to all eligible associates, including the named executive officers. The Committee believes that awards under the LTIP promote a long-term focus on our profitability due to the multi-year vesting period under the plan.

At the beginning of each year, the Compensation Committee selects performance criteria, upon which awards under the LTIP are based, from the array of performance measures contained in the LTIP. Threshold, target and maximum targets are set by the Compensation Committee.

Target awards are determined as a percentage of each executive officer s salary. For most participants in the LTIP, achieving target Company financial performance yields an award of 100% of the target award for the participant, excluding any individual performance factor. For Messrs. Nagel and Reece, achieving target Company performance yields an award of 200% of the target award. The greater percentage for these named executive officers is designed to facilitate the Compensation Committee s application of negative discretion as it considers appropriate

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in accordance with the provisions of Section 162(m) of the Code. The total long-term award payments to all eligible employees cannot exceed 8% of consolidated operating profit before expenses associated with the LTIP.

Final awards for each participant are determined by comparing actual Company performance against the established performance criteria for the year. Final awards also take into account each individual s PMP Rating. Individual performance is evaluated in the same manner as under the Annual Incentive Plan, except that the payout factor is as follows:

PMP Rating	PMP Payout Percentage
Outstanding	Up to 150%
Above Standard	Up to 125%
Standard	Up to 100%
Below Standard	0%

The Compensation Committee selects the precise payout percentage within the range based on factors such as level of responsibility and impact on our performance with calibrations made across comparable positions to achieve consistency of the percentages selected. For Messrs. Nagel and Reece, the maximum PMP Payout Percentage was assumed as being met for LTIP award purposes prior to the application of negative discretion by the Compensation Committee.

The dollar amount of each actual LTIP award, including the named executive officers, is determined as follows:

Base Salary x (LTIP Target % x Financial Performance Payout %) x PMP Payout %

The Compensation Committee, in its discretion, taking into account the recommendations of the chief executive officer, may increase or decrease awards under the LTIP and may approve the payment of awards where performance would otherwise not meet the minimum criteria set for payment of awards, although it rarely does so. In fiscal 2008, the Compensation Committee used negative discretion to reduce the awards for Messrs. Nagel and Reece, but did not approve any payment of awards not warranted by financial performance.

The final dollar-denominated awards are then converted into time-vesting restricted stock, stock options, or a combination of the two, as determined by the Compensation Committee. The restricted stock generally vests over a four-year period. Dividends are paid on the restricted stock. The stock options have an exercise price equal to the closing price on the date of grant and generally vest over a three-year period.

Fiscal 2008 Awards

For fiscal 2008, the Compensation Committee determined that the performance criterion for LTIP awards was earnings per share. The target EPS was $3.04, with a threshold of $2.68 and a maximum of $3.51. The award formula payout percentage is 0% for threshold performance, 100% for target performance and 150% for maximum performance. For Messrs. Nagel and Reece, the award formula payout percentage is 0% for threshold performance, 200% for target performance and 300% for maximum performance. The payout percentage used in the award formula cannot exceed 150% (300% for Messrs. Nagel and Reece), even if actual performance exceeds the level of performance corresponding to the maximum payout percentage. The Compensation Committee was expected to apply negative discretion to the award for Messrs. Nagel and Reece.

The appropriate EPS targets were derived from our long-term growth targets, which are in the upper quartile of financial performance for industrial companies and, therefore, differ from the operating plan targets for fiscal 2008. In setting the performance level, the Compensation Committee begins with the financial performance for the prior fiscal year and generally requires an increase in performance to achieve the target and maximum awards. The target award represented a 16.0% increase over the prior year and the maximum award represented a 21.8% increase over the prior year. This compares favorably to our upper quartile performance goal of 15% annual growth. The maximum award is designed to reward only exceptional performance.

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We achieved $3.57 in diluted earnings per share, which was above the maximum target. The following table outlines the award targets and 2008 actual award values under the LTIP for each of the named executive officers for fiscal 2008 as a dollar amount (in thousands). The target and maximum awards listed assume that the PMP Rating was Outstanding (150%). In setting these levels, we expected that the Compensation Committee would exercise negative discretion in determining the final awards for Messrs. Nagel and Reece.

Named Executive Officer	Individual Target %	Threshold ($)	Target ($)	Maximum ($)	Actual ($)
			($ In thousands)		
Vernon J. Nagel	225%	$ 0	$ 4,050	$ 6,075	$ 3,000**(1**)
Richard K. Reece	135	0	1,620	2,430	950**(1**)
Mark A. Black	90	0	405	608	600
John T. Hartman	90	0	452	678	600
Jeremy M. Quick	90	0	419	628	500

(1) Reflects application of negative discretion by the Compensation Committee in determining final awards.

The actual awards earned by Messrs. Black, Hartman and Quick were based on the maximum target and each person s PMP Rating. For Messrs. Nagel and Reece, the actual awards earned were based on the maximum target and each person s PMP Rating, as well as the Compensation Committee s application of negative discretion in determining the final amount of each award. Due to the Company s termination of his employment during the year, Mr. Murphy was not eligible to receive an LTIP award for fiscal 2008.

Equity Award Grant Practices

Annual equity awards under the LTIP are approved by the Compensation Committee and the Board following the end of the fiscal year. The chief executive officer may make interim equity awards from a previously approved discretionary share pool on the first business day of each fiscal quarter based on prescribed criteria established by the Compensation Committee. We do not time the granting of equity awards to the disclosure of material information.

Executive Perquisites

Perquisites and other personal benefits comprised a minimal portion of our executive compensation program. The only perquisite or other personal benefit provided by us to executive officers in fiscal 2008 was a Company match on charitable contributions up to $5,000 for Messrs. Nagel and Reece and up to $2,500 for Messrs. Black, Hartman and Quick.

Retirement Benefits

We provide retirement benefits under a number of defined benefit retirement plans. As of December 31, 2002, we froze the pension benefits under certain plans for all participants. This means that, while participants retain the pension benefits already accrued, no additional pension benefits will accrue after the effective date of the freeze. However, executives formerly covered by the frozen pension plan are receiving a supplemental annual contribution under a deferred compensation plan, which is designed to replace benefits lost when the pension plan was frozen.

Effective January 1, 2003, we implemented the Acuity Brands, Inc. 2002 Supplemental Executive Retirement Plan (the 2002 SERP) that provides a monthly benefit equal to 1.6% of average base salary and annual incentive payment (using the highest three consecutive years of remuneration out of the ten years preceding an executive s retirement) multiplied by years of service as an executive officer (up to a maximum of 10 years) divided by 12. Benefits are generally payable for a 15-year period following retirement (as defined in the 2002 SERP.) Messrs. Nagel, Reece and Murphy participated in the 2002 SERP in fiscal 2008.

We also maintain several deferred compensation plans which are described below under Fiscal 2008 Nonqualified Deferred Compensation. The plans are designed to provide eligible participants an opportunity to defer compensation on a tax efficient basis. Under certain plan provisions, we make contributions to participants accounts.

We maintain a defined contribution 401(k) plan that covers our employees and former employees. The 401(k) plan provides for employee pre-tax contributions and employer matching contributions.

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Change in Control Agreements

We have change in control agreements with our named executive officers that provide for separation payments and benefits, consistent with common market practices among our peers, upon qualifying terminations of employment in connection with a change in control of our Company. The Board of Directors intends for the change in control agreements to provide the named executive officers some measure of security against the possibility of employment loss that may result following a change in control in order that they may devote their energies to meeting the business objectives and needs of our Company and our stockholders. For additional information on the change in control arrangements see Potential Payments upon Termination Change in Control Agreements below.

Severance Agreements

To ensure that we are offering a competitive executive compensation program, we believe it is important to provide reasonable severance benefits to our named executive officers.

The severance agreements contain restrictive covenants with respect to confidentiality, non-solicitation, and non-competition, and are subject to the execution of a release. The severance agreements are effective for a rolling two-year term, which will automatically extend each day for an additional day unless terminated by either party, in which case they will continue for two years after the notice of termination or for three years following a change in control. For additional information on the severance arrangements see Potential Payments upon Termination Severance Agreements below.

Equity Ownership Requirements

Our executive officers became subject to a share ownership requirement in 2004. The requirements are intended to ensure that our executive officers maintain an equity interest in our Company at a level sufficient to assure our stockholders of their commitment to value creation, while addressing their individual needs for portfolio diversification. The share ownership requirement provides that, over a four-year period, Mr. Nagel will attain ownership in our common stock valued at four times his annual base salary, Mr. Reece will attain ownership valued at three times his annual base salary and that the other named executive officers will attain ownership valued at two times their annual base salaries. The ownership of each named executive officer that was our employee at the end of the fiscal year currently exceeds his requirement. For these purposes, ownership includes stock held directly, interests in restricted stock, restricted stock units, stock acquired through our employee stock purchase plan, and investments in our stock through our 401(k) plan. Stock options are not taken into consideration in meeting the ownership requirements.

Tax Deductibility Policy

Section 162(m) of the Code generally limits the tax deductibility of compensation of the chief executive officer and our three other executive officers (other than our chief executive officer and our chief financial officer) who are the highest paid and employed at year-end to $1 million per year unless the compensation qualifies as performance-based compensation. While we do not design compensation programs solely for tax purposes, we design plans to be tax efficient where possible. However, the Compensation Committee may exercise discretion in those instances when the mechanistic approaches under tax laws would compromise the interest of stockholders. As a result, to maximize the tax efficiency of our compensation programs, fiscal 2008 incentive targets for our executive officers that were named executive officers in fiscal 2007 and employed by the Company at the end of fiscal 2008 were twice that of other participants. While the Compensation Committee does not intend that an executive officer will earn such an amount, the program is designed to permit the Compensation Committee to reward outstanding performance while retaining the tax deductibility of the award. The Compensation Committee continues to have the ability to use negative discretion in calculating an appropriate award.

Role of Executive Officers

As discussed above, the chief executive officer reports to the Compensation Committee on his evaluations of the senior executives, including the other named executive officers. He makes compensation recommendations for the other named executive officers with respect to base salary, merit increases and annual and long-term incentives, which are the basis of discussion with the Compensation Committee. The chief financial officer evaluates the financial implications of any proposed Compensation Committee action.

Meetings of the Compensation Committee are regularly attended by the chief executive officer and the corporate secretary. Frequently, the chief financial officer also attends meetings of the Committee.

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EXECUTIVE COMPENSATION TABLES

Set forth below is information concerning compensation paid to the applicable named executive officer in connection with his service to Acuity Brands.

Fiscal 2008 Summary Compensation Table

The following table presents information concerning compensation for the named executive officers for fiscal 2008 and 2007.

ame and Principal osition	Year	Salary ($)	Stock Awards ($)(1)	Option Awards ($)(1)	Non-Equity Incentive Plan Compen-sation ($)(2)	Change in Pension Value and Nonquali-fied Deferred Compen-sation Earnings ($)(3)	All Other Compen-sation ($)(4)	Total ($)
ernon J. Nagel	2008	$ 600,000	$ 868,925	$ 1,034,491	$ 3,000,000	$ 746,460	$ 38,446	$ 6,288,322
hairman, President nd hief Executive fficer	2007	600,000	477,469	1,088,336	2,740,000	403,430	36,796	5,346,031
ichard K. Reece	2008	400,000	508,819	293,772	850,000	131,960	8,280	2,192,830
xecutive Vice resident and hief Financial fficer	2007	400,000	356,417	194,091	800,000	101,664	35,823	1,887,995
lark A. Black(5) xecutive Vice resident of Supply hain, Acuity Brands ighting, Inc.	2008	300,000	286,047	49,557	570,000	80	30,600	1,236,285
ohn T. Hartman(5) xecutive Vice resident and hief Commercial fficer, cuity Brands ighting, Inc.	2008	330,833	381,271	53,399	535,000	2,190	77,284	1,379,977
eremy M. Quick(5) xecutive Vice resident and	2008	310,000	255,971	96,123	525,000	965	45,044	1,233,103

hief Financial fficer, cuity Brands ighting, Inc.								
enyon W. Iurphy(6)	2008	316,667	96,841	17,627	382,000	163,465	1,534,983	2,511,583
ormer Executive ice President, hief Administrative fficer, nd General Counsel	2007	377,500	344,225	113,391	750,000	172,542	43,418	1,801,076

(1) The values for equity-based awards in this column represent the cost recognized by Acuity Brands for financial statement reporting purposes for fiscal 2008 and 2007 in accordance with SFAS No. 123(R) for awards granted in fiscal 2008 and prior years. Pursuant to SEC rules, these values are not reduced by an estimate for the probability of forfeiture. The assumptions used to value awards granted in and prior to fiscal 2008 can be found in Note 7 to our consolidated financial statements included in the Form 10-K for the fiscal year ended August 31, 2008. Restricted stock awards are valued at the closing price on the New York Stock Exchange on the grant date.

(2) Represents incentive payments earned under the Annual Incentive Plan. For additional information about the 2008 plan, see Compensation Discussion and Analysis Elements of Executive Compensation Short-Term Incentives.

(3) The amounts shown in the table below reflect the above-market portion of interest earned in our deferred compensation plans calculated by comparing each plan s effective interest rate for fiscal 2008 to 120% of the applicable federal long-term rate, with compounding, at the time the interest formula of each plan was established. The amounts also include the fiscal 2008 increase in the actuarial present value of benefits at age 60 under the 2002 SERP for Messrs. Nagel, Reece, and Murphy. The amount for Mr. Murphy also includes $1,158, representing the fiscal 2008 increase in the actuarial present value of his benefit at age 65 under the Acuity

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Brands, Inc. Pension Plan C. For more information about these plans, see Pension Benefits in Fiscal 2008 and Fiscal 2008 Nonqualified Deferred Compensation Below.

Name	Change in Pension Value and Nonqualified Deferred Compensation Earnings 2002 SERP ($)	Above-Market Interest ($)
Vernon J. Nagel	$ 746,077	$ 383
Richard K. Reece	131,960	0
Mark A. Black	0	80
John T. Hartman	0	2,190
Jeremy M. Quick	0	965
Kenyon W. Murphy	161,492	815

(4) The amounts shown for fiscal 2008 include contributions to the deferred compensation plan of $30,166 for Mr. Nagel and $36,685 for Mr. Murphy in replacement of benefits lost when a prior SERP and Pension Plan C were frozen. See Fiscal 2008 Nonqualified Deferred Compensation below for additional information about the plans. In addition, amounts shown include Company contributions to the deferred compensation plan of $22,500 for Mr. Black, $68,800 for Mr. Hartman, and $36,550 for Mr. Quick. For Mr. Murphy, whose employment was terminated by the Company in fiscal 2008, the amount shown includes $570,000 in salary severance pay, $670,034 in restricted stock severance expense, $70,064 in stock option severance expense, and $182,000 related to benefits he would have accrued in the Supplemental Executive Retirement Plan and the Supplemental Deferred Savings Plan during the 18 month severance period. Amounts shown also include Company contributions to 401(k) plans, each less than $10,000 in fiscal 2008. Perquisites for the named executive officers did not exceed $10,000 in the aggregate.

(5) Messrs. Black, Hartman and Quick first became named executive officers in fiscal 2008. Under SEC rules, we are not required to provide compensation information for these executives for fiscal 2007.

(6) As of January 10, 2008, Mr. Murphy no longer served as an executive officer of our Company. Mr. Murphy s employment by our Company was terminated in May 2008.

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Fiscal 2008 Grants of Plan Based Awards

The following table provides information about equity and non-equity awards granted to the named executive officers during fiscal 2008.

		Estimated Possible Payouts under Non-Equity Incentive Plan Awards(2)			Estimated Possible Payouts under Equity Incentive Plan Awards(3)					
nt (1)	Committee Action Date if Different from Grant Date(1)	Threshold ($)	Target ($)	Maximum ($)	Threshold ($)	Target ($)	Maximum ($)	All Other Stock Awards: Number of Shares of Stock or Units (#)(4)	All Other Option Awards: Number of Securities Underlying Options (#)(5)(6)	Exercise or Base Price of Option Awards ($/Sh)
		$ -0-	$ 2,160,000	$ 4,000,000						
					$ -0-	$ 4,050,000	$ 6,075,000			
2/07	10/25/07								74,700	$ 40.29
2/07	10/25/07							48,000		
		-0-	624,000	1,248,000						
					-0-	1,620,000	2,430,000			
2/07	10/25/07								25,800	40.29
2/07	10/25/07							16,500		
		-0-	198,000	658,000						
					-0-	405,000	608,000			
2/07	10/25/07								12,900	40.29
2/07	10/25/07							8,300		
		-0-	241,000	802,000						
					-0-	452,000	678,000			
2/07	10/25/07								13,900	40.29
2/07	10/25/07							8,900		
		-0-	205,000	680,000						
					-0-	419,000	628,000			
2/07	10/25/07								11,300	40.29
2/07	10/25/07							7,300		
7/08	3/27/08							5,000		
		-0-	171,000	512,000						

(1) For November 2007 grants, the Compensation Committee approved the awards on October 25, 2007. The Board of Directors ratified the awards on November 2, 2007, which is the grant date for the awards.

(2) These columns show the potential value of the payout for each named executive officer under the fiscal 2008 Annual Incentive Plan if the threshold, target, or maximum goals are achieved. In setting these amounts, we expected that the Compensation Committee would exercise negative discretion in determining the final awards for Messrs. Nagel and Reece. See Compensation Discussion and Analysis for a description of the plan and the actual amounts earned.

(3) These columns show the potential value, in dollars, of the equity payout for each named executive officer under the fiscal 2008 LTIP if the threshold, target, or maximum goals are achieved. In setting these amounts, we expected that the Compensation Committee would exercise negative discretion in determining the final awards for Messrs. Nagel and Reece. See Compensation Discussion and Analysis for a description of the plan and the actual amounts earned.

(4) This column shows the number of restricted shares granted in fiscal 2008 to the named executive officers. The shares of restricted stock granted on November 2, 2007 were awarded based on achievement of performance goals under the fiscal 2007 LTIP. The grants vest ratably in four equal annual installments beginning one year from the grant date. Dividends are paid on the restricted shares at the same rate as for other outstanding shares.

(5) This column shows the number of stock options granted in fiscal 2008 to the named executive officers. The stock options granted on November 2, 2007 were awarded based on achievement of performance goals under the fiscal 2007 LTIP. The options vest ratably in three equal annual installments beginning one year from the grant date.

(6) This column shows the full grant date fair value of the restricted stock awards and the stock options under SFAS No. 123(R) granted to the named executive officers. The grant date fair value of restricted stock awards is calculated using the closing price of our stock on the New York Stock Exchange on the grant date. The grant date fair value of the stock options is calculated at the time of the award using the Black-Scholes Model. The following variables were used for the awards: 4.0% risk free rate, a term of 5 years, a dividend yield of 1.1%, and volatility of 36%.

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Outstanding Equity Awards at Fiscal 2008 Year-End

The following table provides information on the holdings of stock options and restricted stock awards by the named executive officers at August 31, 2008. This table includes unexercised and unvested option awards, unvested restricted stock awards, and the target value of equity awards under the LTIP for fiscal 2008 performance, which were not determinable as of August 31, 2008. Each equity grant is shown separately for each named executive officer. The vesting schedule for each grant is shown following the table, based on the option or stock award grant date. The option exercise prices shown below are the closing market price of our stock on the New York Stock Exchange on the grant date.

	Option Awards					Stock Awards				
ame	Option Grant Date	Number of Securities Under-lying Unexer-cised Options Exercis-able (#)	Number of Securities Underlying Unexercised Options Unexercis-able (#)	Option Exercise Price ($)	Option Expiration Date	Stock Award Grant Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested ($)(1)	Equity Incentive Plan Awards: Number of Unearned Shares, Units, or Other Rights that Have Not Vested (#)(2)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units, or Other Rights that Have Not Vested ($)(3)
ernon Nagel	4/2/03	48,405	0	$ 11.85	4/1/13					
	12/18/03	83,005	0	19.58	12/17/13					
	1/20/04	181,518	0	21.17	1/19/14					
	1/20/04	181,518	0	25.62*	1/19/14					
	9/29/06	60,506	121,012	37.52	9/28/16					
	11/2/07		74,700	40.29	11/1/17					
						9/29/06	29,550	$ 1,285,721		
						11/2/07	48,000	2,088,480		
									0	$ 4,050,00
chard Reece	12/1/05	40,338	20,168	26.44	11/30/15					
	11/2/07	0	25,800	40.29	11/1/17					
						12/1/05	12,500	543,875		

						9/29/06	11,250	489,488		
						11/2/07	16,500	717,915		
									0	1,620,00
ark A. lack	11/2/07	0	12,900	40.29	11/1/17					
						9/1/06	15,000	652,650		
						11/2/07	8,300	361,133		
									0	405,00
hn T. artman	6/30/04	18,151	0	22.31	6/29/14					
	11/2/07	0	13,900	40.29						