AcuityBrands
Expanding the boundaries of lighting™

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November 26, 2013

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 034

Dear Board Members:

The Audit Committee of the Acuity Brands Board of Directors agrees with the views and concerns expressed by management in the attached letter on PCAOB Release No. 2013-005 dated August 13, 2013 ("the Proposal") which addresses two new proposed auditing standards, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion* and *The Auditor's Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor's Report*. We understand that the objective of the new auditing standards is to make the auditor's report more informative, and, as a result, more relevant and useful to investors and other financial statement users. However, we believe that certain aspects of the Proposal will not achieve this objective and will result in increased audit time and expense without proportionate benefit.

The audit committee is responsible for the oversight of the preparation of the financial statements and the performance of the auditors. Our committee, as I am sure is true of others, takes these responsibilities very seriously. As such, we examine the significant accounting policies, the critical accounting estimates, and the critical audit matters in some detail with management as the quarterly and annual financial statements are being finalized and we discuss each of these with the independent auditors on a regular basis. As such, the Proposal seems to disregard the importance we place on these reviews by requiring the auditors to disclose information they have no responsibility in preparing and does not give any attention to the review by the company's management or its audit committee.

Likewise, including the tenure of the audit firm in The Basic Elements of the Auditor's Report seems counterproductive for the reasons stated by management. This committee annually evaluates the performance of the audit firm before making the recommendation about reappointment. The Proposal seems to ignore this important step by suggesting that tenure will alert some outside stakeholder that time is more important in evaluating the performance of the audit firm than the responsibilities regularly performed by audit committees and the full board of directors.

We appreciate the opportunity to respond to the proposed auditing standards. We are available to discuss any questions or concerns raised by this response.

Sincerely,

Robert F. McCullough

Robert F. McCullough
Audit Committee Chair

AcuityBrands.
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Richard K. Reece
Executive Vice President
Chief Financial Officer

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November 26, 2013

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 034

Dear Board Members:

We are writing to provide our views on PCAOB Release No. 2013-005 dated August 13, 2013 ("the Proposal") which addresses two new proposed auditing standards, *The Auditor's Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion* and *The Auditor's Responsibilities Regarding Other Information in Certain Documents Containing Audited Financial Statements and the Related Auditor's Report*. We understand that the objective of the new auditing standards is to make the auditor's report more informative, and, as a result, more relevant and useful to investors and other financial statement users. However, we believe that certain aspects of the Proposal will not achieve this objective and will result in increased audit time and expense without proportionate benefit. Please see below for additional information regarding our concerns related to the proposed auditing standards.

Proposed Auditor Reporting Standard

Auditor Reporting of Critical Audit Matters

The Proposal would require auditors to communicate critical audit matters ("CAMs") — defined as matters involving the most difficult, subjective, or complex auditor judgments, including areas that posed the most difficulty to the auditor in obtaining audit evidence and/or forming an opinion on the financial statements—in the auditor's report. We oppose the disclosure of CAMs in the auditor's report for the following reasons: (i) disclosure of CAMs would require auditors to potentially describe matters which are the responsibility of management to include in the financial statements and may potentially reference original information for which there are no current disclosure requirements (e.g. significant deficiencies or misstatements identified during the course of the audit), (ii) existing disclosures and review processes are sufficient to support the auditor's opinion, (iii) inconsistencies between required current disclosures and disclosures stipulated in the Proposal could result in financial statement user confusion, and (iv) additional auditor time and expense will be required to prepare the CAMs disclosure without proportional additional benefit.

We believe strongly that our financial statements and related disclosures are the sole responsibility of management, including the current disclosure requirements related to critical accounting estimates and significant accounting policies. The expansion of auditor reports to include CAMs would require the auditor to provide additional information regarding the financial reporting of the company related to specific audit areas, and potentially require the disclosure of matters affecting a company's financial reporting for which no current disclosure requirements exist. However, we believe that it is our role as management to provide all disclosure regarding the financial reporting of the company. Many respondents to the Concept Release on this same topic dated June 21, 2011 addressed the concern that the auditors should not be the original source of information about the company's financial statements. In addition, providing information regarding specific CAMs in the auditor's opinion may imply that audit opinions are rendered on specific areas rather than on the financial statements as a whole.

In compliance with existing auditing standards related to required communications with audit committees, our critical accounting estimates, significant accounting policies, and significant audit areas are evaluated by the audit committee of our board of directors. We believe current financial statement disclosures are adequate because these disclosures already provide robust information about our accounting policies and areas that require management to rely on significant estimates and judgment. These critical accounting areas are evaluated by management, the audit committee of our board of directors, and our auditors. As a result, we believe the disclosure of CAMs would not be useful to investors given the robustness of disclosures required today.

We are also concerned that the time and effort spent on completing these disclosures will result in additional and unnecessary work for management, the audit committee of the board of directors, and our auditors. Drafting and reviewing the CAMs disclosure will divert attention from completing final reviews in an already tight filing timeframe. As noted above, we believe the current process of review of significant audit areas with the audit committee of our board of directors is sufficient.

Basic Elements of the Auditor's Report

We support the following matters in this section of the Proposal:

- Addition of a statement regarding the auditor's independence;
- Addition of wording to clarify that a material misstatement means whether due to error or fraud.

We do not support the addition of auditor tenure as we believe there is no negative correlation between an audit firm's tenure and the quality of the audit performed, making the disclosure irrelevant to the financial statement users.

Regarding the addition of wording about the auditor's responsibilities concerning other information, we support the addition of this language to enhance the financial statement user's understanding of the obligations of the auditor; however, we believe the language in Appendix 5 of the Proposal expands the auditor's current responsibility which we will address in the next section. We believe this wording should be a disclaimer and more strongly state that the audit scope and procedures did not include the other information.

Reporting on Other Information

We do not support the requirement for the auditor to "read and evaluate" (rather than "read and consider") other information in certain documents, such as selected financial data, management discussion & analysis, and proxy information incorporated by reference. We believe that the shift from "consider" to "evaluate" would require the auditor to perform additional procedures in evaluating the other information based on relevant audit evidence obtained and conclusions reached during the audit. As a result, we believe that substantial additional hours will be added to the audit engagement to evaluate the other information resulting in higher expense to the company without a significant enhancement to the assurance provided today.

In conclusion, we appreciate the opportunity to respond to the proposed auditing standards. We are available to discuss any questions or concerns raised by this response.

Sincerely,

Richard K. Reece

Richard K. Reece
Executive Vice President and
Chief Financial Officer