FORM 10-K

Annual report pursuant to section 13 and 15(d)

Filing Date: **1999-03-26** | Period of Report: **1998-12-31**
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FILER

GENLYTE GROUP INC

CIK:**833076**| IRS No.: **222584333** | State of Incorp.:**DE** | Fiscal Year End: **1231**
Type: **10-K** | Act: **34** | File No.: **000-16960** | Film No.: **99574995**
SIC: **3640** Electric lighting & wiring equipment

Mailing Address
2345 VAUXHALL RD
UNION NJ 07083

Business Address
2345 VAUXHALL RD
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9089647000

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K
Annual Report Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934
For the Fiscal Year Ended December 31, 1998

Commission file number: 0-16960

THE GENLYTE GROUP INCORPORATED
4360 Brownsboro Road
Louisville, Kentucky 40207
(502) 893-4600

INCORPORATED IN DELAWARE — I.R.S. EMPLOYER IDENTIFICATION NO. 22-2584333

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT: NONE
SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT: NONE

TITLE OF EACH CLASS	NAME OF EACH EXCHANGE ON WHICH REGISTERED
Common Stock, par value $.01 per share	NASDAQ National Market System

Number of shares of Common Stock (par value $.01 per share) outstanding as of March 1, 1999: 13,561,298.

Aggregate market value of Common Stock (par value $.01 per share) held by non-affiliates on March 1, 1999: $250,036,432.

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

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

Documents Incorporated by Reference:

Document	Part of Form 10-K
Annual report to stockholders for the fiscal year ended December 31, 1998	Parts I, II, and IV
Proxy Statement for the Annual Meeting of Stockholders to be held April 21, 1999	Part III

PART I

ITEM 1. BUSINESS

On August 30, 1998, The Genlyte Group Incorporated ("Genlyte") and Thomas Industries Inc. ("Thomas") completed the combination of the business of Genlyte with the lighting business of Thomas ("Thomas Lighting"), in the form of a limited liability company named Genlyte Thomas Group LLC ("Genlyte Thomas"). Genlyte contributed substantially all of its assets and liabilities to Genlyte Thomas and received a 68% interest in Genlyte Thomas. Thomas contributed substantially all of its assets and certain related liabilities comprising Thomas Lighting and received a 32% interest in Genlyte Thomas. Throughout this Form 10-K, the term "Company" as used herein refers to The Genlyte Group Incorporated, including the consolidation of The Genlyte Group Incorporated and Genlyte Thomas Group LLC.

The Company designs, manufactures, markets, and sells lighting fixtures for a wide variety of applications in the commercial, industrial, and residential markets. The Company operates in these three industry segments through the following divisions: Lightolier, Controls, Wide-Lite, Hadco, Diamond F, Supply (Crescent, ExceLine, and Stonco product lines), Consumer, Indoor, Accent, and Outdoor in the United States and Mexico, and Canlyte, Thomas Lighting Canada, Lumec, and ZED in Canada. The Company markets its products under the following brand names:

In the U.S.	--	Bronzelite, Capri, Crescent, Day-Brite, Diamond F, Electro/Connect, Emco, ExceLine, Forecast, Gardco, Hadco, Lightolier, Lightolier Controls, Lumec, Lumec-Schreder, Matrix, McPhilben, Omega, Starlight, Stonco, Thomas, Wide-Lite, and ZED.
In Canada	--	C&M, CFI (Canadian Fluorescent Industries), Capri, Day-Brite, Hadco, Horizon, Lite-Energy, Keene-Widelite, Lightolier, Lumec, Prodel, Stonco, Uniglo, and ZED.
In Mexico	--	Bronzelite, Capri, Day-Brite, Emco, Forecast, Gardco, Hadco, Lightolier, Lumec, Thomas, and Wide-Lite.

The Company's products primarily utilize incandescent, fluorescent, and high-intensity discharge (HID) light sources and are marketed primarily to distributors who resell the products for use in new residential, commercial, and industrial construction as well as in remodeling existing structures. Because the Company does not principally sell directly to the end-user of its products, the Company

cannot determine precisely the percentage of its revenues derived from the sale of products installed in each type of building or the percentage of its products sold for new construction versus remodeling. The Company's sales, like those of the lighting fixture industry in general, are partly dependent on the level of activity in new construction and remodeling.

PRODUCTS AND DISTRIBUTION

The Company designs, manufactures, markets, and sells the following types of products:

Indoor Fixtures	--	Incandescent, fluorescent, and HID lighting fixtures and lighting controls for commercial, industrial, institutional, medical, sports, and residential markets, and task lighting for all markets.
Outdoor Fixtures	--	HID and incandescent lighting fixtures and accessories for commercial, industrial, institutional, sports, and residential markets.

The Company's products are marketed by independent sales representatives and Company direct sales personnel who sell to distributors, electrical wholesalers, mass merchandisers, and national accounts. In addition, the Company's products are promoted through architects, engineers, contractors, and building owners. The fixtures are principally sold throughout the United States, Canada, and Mexico.

RAW MATERIALS SOURCES & AVAILABILITY

The Company purchases large quantities of raw materials and components -- mainly steel, aluminum, ballasts, sockets, wire, plastic, lenses, and glass -- from multiple sources. No significant supply problems have been encountered in recent years. Relationships with vendors have been satisfactory.

SEASONAL EFFECT ON BUSINESS

There are no predictable significant seasonal effects on the Company's results of operations.

PATENTS AND TRADEMARKS

The Company has a number of United States and foreign mechanical patents, design patents, and registered trademarks. The Company maintains such protections by periodic renewal of trademarks and payments of maintenance fees for issued patents. The Company vigorously enforces its intellectual property rights. The Company does not believe that a loss of any presently held patent or trademark is likely to have a material adverse impact on its business.

WORKING CAPITAL

There are no unusual significant business practices at the Company that affect working capital. The Company's terms of sale vary by division but are generally consistent with general practices within the lighting industry. The Company attempts to keep inventory levels at the minimum required to satisfy customer requirements.

BACKLOG

Backlog was $115,520,000 as of December 31, 1998; $54,206,000 as of December 31, 1997, and $42,247,000 as of December 31, 1996. The $61,314,000 increase from December 31, 1997 to December 31, 1998 was primarily because of the formation of Genlyte Thomas; the backlog associated with the former Thomas Lighting business was $47,701,000 at December 31, 1998. Substantially all the backlog at December 31, 1998 is expected to be shipped in 1999.

COMPETITION

The Company's products are sold in competitive markets in which are numerous producers of each type of fixture. The principal measures of competition in indoor and outdoor fixtures for the commercial, residential, and industrial markets are price, service, design, and product performance.

RESEARCH AND DEVELOPMENT
The Company is constantly monitoring new light sources for incorporation into new product development. Costs incurred for research and development activities, as determined in accordance with generally accepted accounting principles, were $7,237,000; $5,195,000, and $4,475,000 during 1998, 1997, and 1996, respectively.

EMPLOYEES
At December 31, 1998, the Company employed approximately 3,490 union and nonunion production workers and approximately 1,800 engineering, administrative, and sales personnel. Approximately 9% of the production workers are covered by collective bargaining agreements that expire in 1999. Relationships with unions have been satisfactory. Negotiation of collective bargaining agreements is not expected to have a significant impact on 1999 production.

INTERNATIONAL OPERATIONS
The Company has international operations in Canada and Mexico. Information on the Company's operations by geographical area for the last three fiscal years is set forth in the "Notes to Consolidated Financial Statements" section of Genlyte's 1998 Annual Report to Stockholders (Exhibit 13 hereto), which is incorporated herein by reference.

ITEM 2. PROPERTIES
The leased Corporate offices of the Company are located in Louisville, Kentucky. Because of the large number of individual locations and the diverse nature of the operating facilities, specific description of each property owned and leased by the Company is not necessary to an understanding of the Company's business. All of the buildings are of steel, masonry, or concrete construction, are generally in good condition, provide adequate and suitable space for the operations of each location, and provide sufficient capacity for present and foreseeable future needs. A summary of the Company's property follows:

<TABLE>
<CAPTION>

<S> Nature of Facilities	<C> 26 Owned Facilities Total Square Feet	<C> 31 Leased Facilities Total Square Feet	<C> Combined Facilities Total Square Feet
Manufacturing Plants	2,191,000	473,000	2,664,000
Distribution Centers	1,194,000	334,000	1,528,000
Administrative Offices	329,000	104,000	433,000
Sales Offices	--	29,000	29,000
Other	87,000	1,000	88,000
Total	3,801,000	941,000	4,742,000

</TABLE>

ITEM 3. LEGAL PROCEEDINGS

Genlyte has been named as one of a number of corporate and individual defendants in an adversary proceeding filed on June 8, 1995, arising out of the Chapter 11 bankruptcy filing of Keene Corporation ("Keene"). Except for the last count, as discussed below, the claims and causes of action set forth in the June 8, 1995 complaint (the "complaint") are substantially the same as were brought against Genlyte in the U.S. District Court in New York in August 1993, (which original proceeding was permanently enjoined as a result of Keene's reorganization plan). The complaint is being prosecuted by the Creditors Trust created for the benefit of Keene's creditors (the "Trust"), seeking from the defendants, collectively, damages in excess of $700 million, rescission of certain asset sale and stock transactions, and other relief. With respect to Genlyte, the complaint principally maintains that certain lighting assets of Keene were sold to a predecessor of Genlyte in 1984 at less than fair value, while both Keene and Genlyte were wholly-owned subsidiaries of Bairnco Corporation ("Bairnco"). The complaint also challenges Bairnco's spin-off of Genlyte in August 1988. Other allegations are that Genlyte, as well as other corporate defendants, are liable as corporate successors to Keene. The complaint fails to specify the amount of damages sought against Genlyte. The complaint also alleges a violation of the Racketeer Influenced and Corrupt Organizations Act ("RICO").

Following confirmation of the Keene reorganization plan, the parties moved to withdraw the case from bankruptcy court to the Southern District of New York Federal District Court. The case is now pending before the Federal District Court. On October 13, 1998, the Court issued an opinion dismissing certain counts as to Genlyte and certain other corporate defendants. In particular, the Court dismissed the count of the complaint against Genlyte that alleged that the 1988 spin-off was a fraudulent transaction, and the count alleging a violation of RICO. The Court also denied a motion to dismiss the challenge to the 1984 transaction on statute of limitations grounds and ruled that the complaint should not be dismissed for failure to specifically plead fraud.

On January 5 and 6, 1999, the Court rendered additional rulings further restricting the claims by the Trust against Genlyte and other corporate defendants, and dismissing the claims against all remaining individual defendants except one. The primary effect of the rulings with respect to claims against Genlyte was to require the Trust to prove that the 1984 sale of certain lighting assets of Keene was made with actual intent to defraud present and future creditors of Genlyte's predecessor.

Discovery, which was stayed since commencement of the action, has now been authorized by the Court to begin. Genlyte has filed its answer to the complaint and is in the process of responding to and requesting discovery.

Genlyte believes that it has meritorious defenses to the adversary proceeding and will defend said action vigorously.

Additionally, the Company is a defendant and/or potentially responsible party, with other companies, in actions and proceedings under state and Federal environmental laws including the Federal Comprehensive Environmental Response Compensation and Liability Act, as amended. Management does not believe that the disposition of the lawsuits and/or proceedings will have a material effect on the Company's financial condition, results of operations, or liquidity.

In the normal course of business, the Company is a party to legal proceedings and claims. When costs can be reasonably estimated, appropriate liabilities for such matters are recorded. While management currently believes the amount of ultimate liability, if any, with respect to these actions will not materially affect the financial position, results of operations, or liquidity of the Company, the ultimate outcome of any litigation is uncertain. Were an unfavorable outcome to occur, the impact could be material to the Company.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

None.

PART II

ITEM 5. MARKET FOR THE REGISTRANT'S COMMON EQUITY & RELATED STOCKHOLDER MATTERS

a. and c. Data regarding market price of Genlyte's common stock is included in the "Notes to Consolidated Financial Statements" section of Genlyte's 1998 Annual Report to Stockholders (Exhibit 13 hereto), which is incorporated herein by reference. Genlyte's common stock is traded on the NASDAQ National Market System under the symbol "GLYT". Information concerning dividends and restrictions thereon and Preferred Stock Purchase Rights are included in the "Notes to Consolidated Financial Statements" section of Genlyte's 1998 Annual Report to Stockholders, which is incorporated herein by reference.

b. The approximate number of common equity security holders is as follows:

Title of Class	Approximate Number of Holders of Record as of Year-end 1998
Common Stock, par value $.01 per share	1,459

ITEM 6. SELECTED FINANCIAL DATA

The information required for this item is included in Genlyte's 1998 Annual Report to Stockholders (Exhibit 13 hereto), which is incorporated herein by reference.

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Reference is made to the "Management's Discussion and Analysis" section of Genlyte's 1998 Annual Report to Stockholders (Exhibit 13 hereto), which is incorporated herein by reference.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

At December 31, 1998, a hypothetical 1% increase in interest rates would result in a reduction of approximately $630,000 in pre-tax income. The estimated reduction is based upon no change in the volume or composition of debt at December 31, 1998.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Reference is made to the "Consolidated Financial Statements" and "Notes to Consolidated Financial Statements" sections of Genlyte's 1998 Annual Report to Stockholders (Exhibit 13 hereto), which is incorporated herein by reference. Financial statement schedules are included in Part IV of this filing.

ITEM 9. CHANGE IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

PART III

ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT

The information required with respect to the Directors of Genlyte is included in the "Election of Director" section of the Proxy Statement for the 1999 Annual Meeting of the Stockholders of Genlyte, which has been filed with the Securities and Exchange Commission and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information with respect to executive compensation is included in the "Compensation of Directors" and "Compensation Committee Report on Executive Compensation" sections of the Proxy Statement for the 1999 Annual Meeting of Stockholders of Genlyte, which has been filed with the Securities and Exchange Commission and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The information required with respect to security ownership is included in the "Voting Securities and Principal Holders Thereof" section of the Proxy Statement for the 1999 Annual Meeting of Stockholders of Genlyte, which has been filed with the Securities and Exchange Commission and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

The information required with respect to relationships is included in the "Compensation Committee Interlocks and Insider Participation" and "Voting Securities and Principal Holders Thereof" sections of the Proxy Statement for the 1999 Annual Meeting of Stockholders of Genlyte, which has been filed with the Securities and Exchange Commission and is incorporated herein by reference.

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES, AND REPORTS ON FORM 8-K

a) 1) FINANCIAL STATEMENTS

The following information is incorporated herein by reference to Genlyte's 1998 Annual Report to Stockholders (Exhibit 13 hereto):

Report of Independent Public Accountants

Consolidated Statements of Income for the years ended December 31, 1998, 1997, and 1996

Consolidated Balance Sheets as of December 31, 1998 and 1997

Consolidated Statements of Cash Flows for the years ended December 31, 1998, 1997, and 1996

Consolidated Statements of Stockholders' Investment for the years ended December 31, 1998, 1997, and 1996

Notes to Consolidated Financial Statements

2) FINANCIAL STATEMENT SCHEDULE

Report of Independent Public Accountants on Financial Statement Schedule

Schedule II -- Valuation and Qualifying Accounts

Other schedules are omitted because of the absence of conditions under which they are required or because the required information is included in the consolidated financial statements or notes thereto.

b) A Form 8-K/A was filed on November 5, 1998, to amend the Form 8-K filed on September 11, 1998 announcing that Genlyte and Thomas completed the transaction that created Genlyte Thomas Group LLC. The amendment provided the required financial statements in accordance with the form.

c) Exhibits

DESCRIPTION	INCORPORATED BY REFERENCE TO
- Amended and Restated Certificate of Incorporation of the Registrant, dated August 2, 1988	Exhibit 3(b) to Genlyte's Registration Statement on Form 8 as filed with the Securities and Exchange Commission on August 3, 1988
- Amended and Restated Certificate of Incorporation of the Registrant, dated May 9, 1990	Exhibit 3(a) to Genlyte's Form 10-K filed with the Securities and Exchange Commission in March 1993
- Amended and Restated By-laws of the Registrant, as adopted on May 16, 1988	Exhibit 3(c) to Genlyte's Registration Statement on Form 8 as filed with the Securities and Exchange Commission on August 3, 1988
- Form of Stock Certificate for Genlyte Common Stock	Exhibit 4(a) to Genlyte's Registration Statement on Form 8 as filed with the Securities and Exchange Commission on August 3, 1988

- Stock Purchase Agreement between the Registrant and purchasers of Class B Stock of the Registrant, dated as of June 17, 1988	Exhibit 10(a) to Genlyte's Registration Statement on Form 8 as filed with the Securities and Exchange Commission on August 3, 1988
- Loan Agreement between The Genlyte Group Incorporated and the New Jersey Economic Development Authority dated April 1, 1990, replacing the First Mortgage and Security Agreement between the New Jersey Economic Development Authority and KCS Lighting, Inc., dated December 20, 1984 (assigned to and assumed by the Registrant effective December 31, 1986)	Exhibit 10(b) to Genlyte's Form 10-K filed with the Securities and Exchange Commission in March 1991

DESCRIPTION	INCORPORATED BY REFERENCE TO
- Loan Agreement between The Genlyte Group Incorporated and the New Jersey Economic Development Authority dated June 1, 1990, replacing the Loan Agreement between KCS Lighting, Inc. and the New Jersey Economic Development Authority, dated December 20, 1984 (assigned to and assumed by the Registrant effective December 31, 1986)	Exhibit 10(c) to Genlyte's Form 10-K filed with the Securities and Exchange Commission in March 1991
- ManagementIncentive Compensation Plan	Exhibit 10(i) to Genlyte's Registration Statement on Form 8 as filed with the Securities and Exchange Commission on August 3, 1988
- Genlyte 1988 Stock Option Plan	Exhibit 10(j) to Genlyte's Registration Statement on Form 8 as filed with the Securities and Exchange Commission on August 3, 1988
- Genlyte 1998 Stock Option Plan	Annex A to Genlyte's Proxy Statement (Form DEF 14A) for the 1998 Annual Meeting of Stockholders of Genlyte as filed with the Securities and Exchange Commission on March 23, 1998
- Tax Sharing Agreement between Genlyte and Bairnco Corporation, dated July 15, 1988	Exhibit 10(k) to Genlyte's Registration Statement on Form 8 as filed with the Securities and Exchange Commission on August 3, 1988

- Merger and Assumption Agreement, dated as of December 28, 1990, by and between Genlyte and Lightolier	Exhibit 10(d) to Genlyte's Form 10-K filed with the Securities and Exchange Commission in March 1991
- Loan Agreement between The Genlyte Group Incorporated and Jobs for Fall River, Inc., dated as of July 13, 1994	Exhibit 4(c) to Genlyte's Form 10-K filed with the Securities and Exchange Commission in March 1995

DESCRIPTION	INCORPORATED BY REFERENCE TO
- Master Transaction Agreement dated April 28, 1998 by and between Thomas and Genlyte	Exhibit 2.1 to Genlyte's Form 8-K filed with the Securities and Exchange Commission on July 24, 1998
- Limited Liability Company Agreement of GT Lighting, LLC (now named Genlyte Thomas) dated April 28, 1998 by and among Thomas, Genlyte and Genlyte Thomas	Exhibit 2.2 to Genlyte's Form 8-K filed with the Securities and Exchange Commission on July 24, 1998
- Capitalization Agreement dated April 28, 1998 by and among Genlyte Thomas and Thomas and certain of its affiliates	Exhibit 2.3 to Genlyte's Form 8-K filed with the Securities and Exchange Commission on July 24, 1998
- Capitalization Agreement dated April 28, 1998 by and between Genlyte Thomas and Genlyte	Exhibit 2.4 to Genlyte's Form 8-K filed with the Securities and Exchange Commission on July 24, 1998
- Credit Agreement between Genlyte Thomas and the applicable banks named therein, dated as of August 30, 1998	Exhibit 10 to Genlyte's Form 10-Q filed with the Securities and Exchange Commission in November 1998
- Financial Statements of Business Acquired and Pro Forma Financial Information related to the formation of Genlyte Thomas	Exhibits 99.1 through 99.16 to Genlyte's Form 8-K/A filed with the Securities and Exchange Commission on November 5, 1998

Other Exhibits included herein:

(11) Calculation of Basic and Diluted Earnings per Share
(13) Annual Report to Stockholders
(18) Letter re Change in Accounting Principles
(21) Subsidiaries of the Registrant
(23) Consent of Independent Public Accountants
(27) Financial Data Schedule
(99) Form of Employment Protection Agreement entered into between Genlyte and certain key executives

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Genlyte has duly caused this Annual Report to be signed on its behalf by the undersigned thereunto duly authorized.

THE GENLYTE GROUP INCORPORATED
Registrant

Date: MARCH 26, 1999

March 26, 1999

By /s/ WILLIAM G. FERKO

William G. Ferko
V.P. Finance - CFO & Treasurer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report is signed below by the following persons on behalf of Genlyte and in the capacities and on the date indicated.

/s/ AVRUM I. DRAZIN	
Avrum I. Drazin - Chairman of the Board	March 26, 1999
/s/ LARRY POWERS	
Larry Powers, President and Chief Executive Officer (Principal Executive Officer)	March 26, 1999
/s/ GLENN W. BAILEY	
Glenn W. Bailey - Director	March 26, 1999
/s/ ROBERT B. CADWALLADER	
Robert B. Cadwallader - Director	March 26, 1999
/s/ DAVID M. ENGELMAN	
David M. Engelman - Director	March 26, 1999
/s/ FRED HELLER	
Fred Heller - Director	March 26, 1999
/s/ FRANK METZGER	
Frank Metzger - Director	March 26, 1999

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

ON FINANCIAL STATEMENT SCHEDULE

We have audited in accordance with generally accepted auditing standards, the consolidated financial statements included in The Genlyte Group Incorporated Annual Report to Stockholders for the year ended December 31, 1998, incorporated by reference in this Form 10-K, and have issued our report thereon dated February 10, 1999. Our audits were made for the purpose of forming an opinion on those statements taken as a whole. The schedule listed in Item 14a(2) is the responsibility of the Company's management and is presented for the purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in the audits of the basic consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

/s/ ARTHUR ANDERSEN LLP

ARTHUR ANDERSEN LLP

Louisville, Kentucky
February 10, 1999

THE GENLYTE GROUP INCORPORATED AND SUBSIDIARIES

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

($ in thousands)

<TABLE>
<CAPTION>

<S>	Balance at Beginning of Year <C>	Additions From Formation of Genlyte Thomas <C>	Additions Charged to Costs and Expenses <C>	Deductions* <C>	Balance at of End Year <C>
YEAR ENDED 12/31/98					
Allowance for Doubtful Accounts	$6,864	$ 1,407	$3,172	$ (536)	$10,907
YEAR ENDED 12/31/97					
Allowance for Doubtful Accounts	$8,222	$ --	$2,100	$(3,458)	$ 6,864
YEAR ENDED 12/31/96					

Allowance for Doubtful Accounts	$5,302	$ --	$3,452	$ (532)	$ 8,222

</TABLE>

* Deductions include uncollectible accounts written off, less recoveries of accounts previously written off and effect of foreign currency translation in accordance with SFAS No. 52.

EXHIBIT 11

THE GENLYTE GROUP INCORPORATED AND SUBSIDIARIES

CALCULATION OF BASIC AND DILUTED EARNINGS PER SHARE

FOR THE YEARS ENDED DECEMBER 31, 1998, 1997, AND 1996

($ in thousands, except per share data)

<TABLE>
<CAPTION>

<S>	1998 <C>	1997 <C>	1996 <C>
BASIC EARNINGS PER SHARE			
Net income	$ 26,760	$ 19,113	$ 12,997
Average common shares outstanding	13,671	13,127	12,859
Basic Earnings Per Share	$ 1.96	$ 1.46	$ 1.01
DILUTED EARNINGS PER SHARE *			
Net income	$ 26,760	$ 19,113	$ 12,997
Average common shares outstanding	13,671	13,127	12,859
Incremental common shares issuable: stock options	19	309	196
Average common shares outstanding assuming dilution	13,690	13,436	13,055
Diluted Earnings Per Share	$ 1.95	$ 1.42	$ 1.00

</TABLE>

* Diluted earnings per share include all average common shares outstanding adjusted for the incremental dilution of outstanding stock options.

GENLYTE
THE GENLYTE GROUP INCORPORATED

1998 ANNUAL REPORT

LIGHTING THE WAY...TOGETHER

GENLYTE THOMAS BRANDS AT A GLANCE

BRANDS	PRODUCT OVERVIEW
BRONZELITE	Specification-grade landscape and underwater lighting
GARDCO	High-performance site luminaires for parking, garage, roadway and path lighting
EMCO	Economical area luminaires and poles
HADCO	Specification-grade exterior architectural lighting for municipal, institutional, commercial landscape
LUMEC	Specification-grade decorative functional street and area lighting
LUMEC-SCHREDER	Tunnel lighting
ZED	Decorative outdoor urban lighting
MCPHILBEN OUTDOOR	Architectural building-mounted luminaires
WIDE-LITE	Energy-efficient specification-grade HID lighting and controls
EXCELINE	Contractor-friendly indoor and outdoor HID lighting (commercial, retail, light industrial)
STONCO	Contractor-friendly indoor and outdoor HID lighting
CRESCENT	Contractor-friendly, cost-effective fluorescent lighting
CAPRI	Downlighting and track lighting
OMEGA	Architectural grade specification downlighting
MCPHILBEN	Exits and electrical signage
HORIZON	Energy-efficient lighting fixtures and reflectors for the retrofit market
LIGHTOLIER	High-quality downlighting, track, decorative and fluorescent lighting for residential and commercial applications
LITE-ENERGY	Decorative high-end architectural interior and exterior lighting
DAY-BRITE	Commercial and industrial HID and fluorescent lighting
FORECAST	Residential decorative lighting sold through lighting showrooms
THOMAS	Decorative lighting for the home

MATRIX	Microprocessor controls for interior lighting systems
LIGHTOLIER CONTROLS	Electronic dimming and energy-saving controls for residential/commercial use.
C&M	Commercial and industrial fluorescent lighting for the Canadian market
CANLYTE	Sale in Canada of Lightolier, CFI, Keene-Widelite, Stonco and Hadco

ON THE COVER

This 3,000 seat worship center is the new home for the 8,000 members of Riverbend Church in Austin, Texas. Virtually all the lighting for this spectacular job is from Genlyte Thomas Group.

FINANCIAL HIGHLIGHTS

(In thousands, except share data)	1998	1997	1996
OPERATING RESULTS			
Net Sales	$ 664,095	$ 487,961	$ 456,860
Gross Profit Margin	35.2%	34.7%	33.9%
Operating Profit	59,290	37,621	28,448
Net Income	26,760	19,113	12,997
Earnings Per Share:			
Basic	1.96	1.46	1.01
Diluted	1.95	1.42	1.00
BALANCE SHEET DATA			
Current Assets	$ 317,246	$ 174,106	$ 163,839
Total Assets	501,602	254,028	238,115
Current Liabilities	137,214	92, 145	92,473
Total Debt	62,784	32,785	41,847
Stockholders' Investment	166,232	103,729	83,783
Book Value Per Average Share	12.14	7.72	6.42

THE GENLYTE GROUP INCORPORATED IS A LEADING MANUFACTURER OF LIGHTING FIXTURES AND CONTROLS FOR COMMERCIAL, INDUSTRIAL AND RESIDENTIAL MARKETS.

o 6TH CONSECUTIVE YEAR OF SALES GROWTH

o 20 QUARTERS OF EARNINGS GROWTH*

o FIVE-YEAR ANNUAL GROWTH RATE OF 49% IN EARNINGS PER SHARE

o THE MOST RECOGNIZED AND RESPECTED BRAND NAMES IN THE INDUSTRY

* Over the comparable prior year's quarter

TABLE OF CONTENTS

GENLYTE THOMAS
LIGHTING THE WAY...TOGETHER
CUSTOMERS - EMPLOYEES - SHAREHOLDERS - VENDORS

o We are customer focused and strive to exceed the expectations of our customers by providing efficient, responsive, and professional solutions and service.

o We value each employee by listening, trusting, and serving each other with respect and fairness.

o We provide our employees with a safe work environment, opportunities to grow and excel, competitive compensation, and we commit to share in our successes. We strive to promote from within.

o We design and manufacture high quality, innovative products to provide superior lighting solutions.

o We are dedicated to the development of well trained and motivated sales organizations to provide exceptional service to our customers.

o We have a sense of urgency and will quickly respond to opportunities and problems.

o We are cost conscious with regard to our business decisions and expenditures. We will utilize our resources across divisions and functions to gain synergy and to reduce costs.

o We adopt total quality management and world class manufacturing concepts and strive for continuous improvement in all aspects of the business.

o We will support vendors who keep us competitive and promote quality and on-time delivery to meet our customer requirements.

o We prioritize our efforts on being the best at the essential things - those activities which can provide the greatest benefit for our customers, employees, and shareholders.

o We will provide our shareholders with a fair rate of return on their investment.

LETTER TO SHAREHOLDERS

[PHOTO OMITTED]

(Left to Right) Avrum I. Drazin, Chairman of the Board and Larry K. Powers, President and Chief Executive Officer

TO OUR SHAREHOLDERS:

Nineteen Ninety Eight was a very good year and we are very pleased with our record performance. It was also an extremely busy and exciting year for us. On August 30, 1998, The Genlyte Group Incorporated formally entered into an agreement with Thomas Industries Inc. to form Genlyte Thomas Group LLC (GTG), creating one of the top three lighting fixture manufacturing entities in North America with assets of over $500 million and a work force of more than 5,000 employees. GTG commands a market share of approximately 13 percent and will be a major force in the lighting industry for many years to come.

The transaction combined substantially all of the assets and liabilities of Genlyte and substantially all of the lighting-related assets and liabilities of Thomas Industries. Genlyte Group owns a 68 percent interest in GTG and Thomas Industries owns the remaining 32 percent. Genlyte Thomas Group is now headquartered in Louisville, Kentucky.

For the year ended December 31, 1998, we are pleased to report record sales of $664 million and record earnings per share of $1.95. These results compare to $488 million and $1.42 in 1997, increases of 36 percent and 37 percent, respectively. In addition, strong fourth quarter cash flow results allowed us to reduce debt by $35 million to approximately $63 million. These promising results were attained in spite of the fact that most of the expenses related to the formation of GTG were incurred in 1998, while a substantial number of the financial benefits will not be realized until later years.

Deeper and broader brand strength - as well as a strong balance sheet creating enhanced financial flexibility - is enabling GTG to compete on a much more effective basis with other leaders in the lighting industry. Complementary products, markets, and sales organizations are important bi-products of the venture. Our customers continue to receive the same personal and focused service and that remains our highest priority. But perhaps the most promising of the benefits created is the strength of the combined management team, which has a notable record in the lighting industry for improving revenues and profitability.

THE STRONG FINANCIAL POSITION OF OUR NEW COMPANY WILL ENABLE US TO BE AGGRESSIVE IN IDENTIFYING BENEFICIAL ACQUISITIONS AND STRATEGIC ALLIANCES, WHILE AN ENHANCED BALANCE SHEET WILL ALLOW US THE STRENGTH AND FLEXIBILITY TO ACT ON THOSE OPPORTUNITIES IN A TIMELY MANNER.

Other benefits spawned by the new company include cost reductions realized from the combined purchasing power of the two companies, efficiency-driven operating consolidations, integration of technologies, reduced freight and warehousing expenditures, as well as overall manufacturing synergies. Future annual savings are anticipated to be $30 million, generated not only from the above-mentioned efficiencies, but from revenue enhancement opportunities. Truly, the whole is greater than the sum of its parts.

The actions to gain the synergies are well underway. In the first quarter of 1999 we announced that our Accent Division, consisting of the Capri and Omega brands and headquartered in Los Angeles, California, will be consolidated with the Day-Brite Division in Tupelo, Mississippi. The resultant

Day-Brite/Capri/Omega Division will be a true indoor lighting business and will streamline processes and unite products that mesh in the marketplace. The transfer is anticipated to be complete in April 1999.

Also in the first quarter we announced that our Hopkinsville, Kentucky, facility will cease manufacturing by September of 1999. This is in line with the plant rationalization plan developed as a result of the formation of GTG.

The strong financial position of our new company will enable us to be aggressive in identifying beneficial acquisitions and strategic alliances, while an enhanced balance sheet will allow us the strength and flexibility to act on those opportunities in a timely manner. We will not seek out acquisitions merely for the sake of expansion. Rather, we will make such transactions when the situation is of obvious and specific benefit for us to do so. For instance, on January 21, 1999, we announced an intent to form a jointly owned limited liability company with Fibre Light International, of Queensland, Australia. GTG will own 80% of the new company, "Fibre Light U.S.," and Fibre Light International will own 20%. Fibre Light U.S. will have exclusive rights to all Fibre Light

International products in North America, the Caribbean and other territories. Fibre Light's focus on the architectural applications of fiber optics should strongly complement our existing product line and move us into an area of lighting that holds much promise for the future.

Subsequent sections of this report will focus on the areas of newly enhanced brand strength, increased manufacturing capabilities and capacity, economies in the areas of purchasing, shipping and warehousing, and the lifeblood of our company - new product development.

We are optimistic and genuinely excited about the many possibilities for future growth and profitability created by our new company's formation. Increasing shareholder value will be the number one goal for all of us. We wish to thank each of our many investors for their continued support and confidence.

We would also like to thank each of the more than 5,000 employees who have shown a great deal of loyalty and dedication during the process of making Genlyte Thomas Group a reality. Without that dedication, the opportunities that are now before us would never exist.

Sincerely,

/s/ LARRY K. POWERS
President and Chief Executive Officer

/s/ AVRUM I. DRAZIN
Chairman of the Board

SALES

DOLLARS IN MILLIONS

94	95	96	97	98
432.7	445.7	456.9	488.0	664.1

OPERATING PROFIT
DOLLARS IN MILLIONS

94	95	96	97	98
14.7	22.0	28.4	37.6	59.3

NET INCOME
DOLLARS IN MILLIONS

94	95	96	97	98
4.2	7.9	13.0	19.1	26.8

EARNINGS PER SHARE

94	95	96	97	98
.33	.62	1.00	1.42	1.95

THE BREADTH
AND DEPTH OF
OUR BRANDS
CREATE A POWERFUL
COMBINATION WITH
COMPLEMENTARY
STRENGTHS.

[PHOTO OF BOB GASKINS AND GRAPHICS OF LIGHT FIXTURES & AN AMPHITHEATER OMITTED]

Bob Gaskins, Director of Design for Gardco Emco McPhilben outdoor lighting, has designed several leading edge products that keep the competition playing catch-up, such as the Gardco Gullwing.

LIGHTING THE WAY... WITH STRENGTH

In 1999, our consolidated sales volume will be approximately double the volume reported in our annual report just one year ago. Through the combination of two strong lighting entities that have become Genlyte Thomas Group LLC (GTG), we now have the breadth and depth of brands that are second to none. The combined brands complement each other to form a "Who's Who" of well known and recognized names within many segments of the lighting industry. Lightolier, Lightolier Controls, Day-Brite, Gardco, Hadco, Lumec, and Wide-Lite are greatly respected within the specification market. Distributors know and trust the Capri, Crescent, Stonco, and ExceLine names. Lighting retailers look to Forecast and Thomas for the latest design trends and innovations. These and many other powerful names create a rich pipeline of brands that are sold through separate and distinct sales organizations throughout North America and internationally.

In addition, the geographic strengths of each entity overlay to create a company with a strong presence throughout North America - particularly in the Midwest, Northeast and Canada. As GTG moves forward, the potential for market leadership in regions beyond its traditional footholds presents a real opportunity.

[GRAPHIC OMITTED]

OUR STATE-OF-THE-ART MANUFACTURING FACILITIES ARE POISED TO CAPITALIZE ON THE FURTHER OPERATIONAL EFFICIENCIES THAT ARE REALIZED AS TWO POWERFUL COMPANIES MOVE FORWARD.

[PHOTO OF GILLES LEBLANC AND PICTURES OF LIGHT FIXTURES OMITTED]

Gilles Leblanc, Director of Manufacturing for Ligholier/CFI, discusses the manufacturing initiatives at his Quebec facility, and the enthusiasm that it has generated amongst the employees.

LIGHTING
THE WAY...WITH EFFICIENCY

Genlyte Thomas Group takes great pride in its manufacturing capabilities and is taking a leading role in developing World Class operations. Initiatives for continuous improvement are a way of life throughout our manufacturing facilities. In additional to capital investments in state-of-the-art equipment, ISO certifications, and process engineering projects, the company prides itself in its Teambuilding Training programs, where employees initiate change with their own solutions. Driving down costs, cutting cycle times, and improving quality and service are the objectives these teams are constantly addressing.

Kaizen blitzes - doing more with less - and the introduction of Kanban inventory practices continue to produce oustanding results throughout the operations.

GTG management is committed to making the work place more productive. There will be ongoing opportunities to coordinate the manufacturing of certain products and controls across all GTG operations. Continual review of our capabilities, capacity, and needed resources will identify additional opportunities.

[PHOTO OMITTED]

A newly installed state-of-the-art Salvagnini flexible fabrication machine embodies GTG's commitment to world class manufacturing. When a customer order calls for small quantities with a unique combination of parts, the items can be produced efficiently and with substantially reduced tooling costs.

[PHOTOS OF DAVE CORNELIUS, SUSAN WOODRUFF, AND LARRY FOX OMITTED, AS WELL AS LIGHTING FIXTURES IN AN AUTOMOBILE SHOWROOM.]

Dave Cornelius (left), Director of Group Purchasing; Susan Woodruff, Purchasing Manager, Stonco; and Larry Fox, Director of Sourcing, Lightolier, discuss various savings opportunities.

THE FORMATION OF GENLYTE THOMAS GROUP IS EXPECTED TO CREATE

FUTURE ANNUAL SYNERGIES IN EXCESS OF $30 MILLION, AS A RESULT OF COST SAVINGS, ECONOMIES OF SCALE AND REVENUE ENHANCEMENT OPPORTUNITIES.

LIGHTING THE WAY... WITH SYNERGY

The immediate synergies upon the formation of Genlyte Thomas were nowhere more apparent or significant than in the area of purchasing. Purchased materials represent a high percentage of the total cost of our products, and with a new leverage that is now on par with other top lighting manufacturers, GTG has already devoted considerable energy and effort to maximize this opportunity. Purchasing contracts are being renegotiated and the resulting cost savings are dramatic.

In shipping and distribution, the company's overall needs are being analyzed to determine long term plans. New freight contracts based on combined volume are being negotiated, and other opportunities for consolidation will be considered as GTG moves forward.

The newly realized leverage extends beyond cost savings. Classic examples of positive synergy are arising. Suppliers are offering enhanced service in the forms of quicker response times, more proximate warehousing, transportation concessions, and greater support in the all-important area of product development technology.

[PHOTOS OMITTED]

[PHOTOS OF BILL FABBRI AND TOM LYNCH OMITTED]

Bill Fabbri (left), Vice President and General Manager of Lightolier's Wilmington, Massachusetts, facility, and Tom Lynch, Operations Manager for the Day-Brite/Capri/Omega facility in Tupelo, Mississippi, were involved in a joint product development effort that benefited both the Day-Brite and Lightolier brands.

THE COMBINATION OF THE TWO COMPANIES KNOWN FOR THEIR INNOVATION CREATES IN GENLYTE THOMAS AN UNPRECEDENTED APTITUDE FOR CONTINUOUS NEW PRODUCT INTRODUCTIONS-THE LIFEBLOOD OF ANY SUCCESSFUL COMPANY.

LIGHTING THE WAY...WITH INNOVATION

The two entities that make up Genlyte Thomas Group were recognized for their innovations in new product development - in terms of both design and technology. Combined, they now have an opportunity to capitalize on these strengths while reducing costs and eliminating resource duplication.

For example, at the time GTG was formed, both Thomas and Genlyte had preliminary drawings on the board for a new fluorescent lighting fixture. Under competitive pricing pressures, the goal for both companies was to cost-reduce the product in order to maintain acceptable margins. GTG melded the development technology of the two companies and quickly designed a fixture that could be produced by both, using some of the same tooling. The time and considerable tooling expense that were saved is an indication of future opportunities that will arise from teamwork and strategic product planning.

Throughout 1998 and into 1999, many GTG brands have developed new products to meet opportunities in the marketplace. For example, the flagship Lightolier brand, entering its 95th year, introduced over 300 new ideas in 1998, including several new families of decorative architectural products. The ProSpec linear is a new innovation that provides a cluster of lamps in a single housing for improved appearance and greater performance.

Capri's C1 system, a new approach to downlighting, is acclaimed for its easy installation and unique flexibility once installed. Hadco has introduced its Garden Art collection, an upscale exterior lighting system for the discriminating buyer. The Supply Division - Stonco, Crescent and ExceLine - all made major new product introductions throughout the year. New customer programs and support technologies were also introduced, such as Day-Brite's Quick Calc - which gives distributors and contractors the convenience of calculating their project specifications with a simple phone call. An easy-to-follow menu of options allows them to calculate spacing-to-mounting-heights, light output, and a variety of other factors - all from the actual job site if needed!

[PHOTOS OMITTED]

<TABLE>
<CAPTION>

SELECTED FINANCIAL DATA

Genlyte Group Incorporated & Subsidiaries

Amounts in thousands, except per share data		1998	1997	1996	1995	1994
<S>	<C>		<C>	<C>	<C>	<C>
SUMMARY OF OPERATIONS						
Net sales	$	664,095	487,961	456,860	445,660	432,690
Gross profit	$	233,768	169,405	154,722	138,120	128,720
Operating profit	$	59,290	37,621	28,448	21,955	14,659
Interest expense, net	$	3,857	4,085	5,649	7,986	7,505
Minority interest	$	8,485	-	-	-	-
Income before income taxes	$	46,948	33,536	22,799	13,969	7,154
Income tax provision	$	20,188	14,423	9,802	6,060	2,937
Net income	$	26,760	19,113	12,997	7,909	4,217
Return on:						
Net sales		4.0%	3.9%	2.8%	1.8%	1.0%
Average stockholders' investment		19.8%	20.4%	16.9%	12.1%	7.1%
Average capital employed		14.6%	14.6%	9.9%	5.5%	2.7%
YEAR-END POSITION						
Working capital	$	180,032	81,961	71,366	75,719	86,714
Plant and equipment, net	$	105,679	59,618	60,380	64,149	68,895
Total assets	$	501,602	254,028	238,115	231,034	240,178
Capital employed:						
Total debt	$	62,784	32,785	41,847	67,132	90,047
Stockholders' investment	$	166,232	103,729	83,783	69,900	61,170
Total capital employed	$	229,016	136,514	125,630	137,032	151,217
PER SHARE DATA						
Net income:						
Basic	$	1.96	1.46	1.01	0.62	0.33
Diluted	$	1.95	1.42	1.00	0.62	0.33
Stockholders' investment per average share outstanding	$	12.14	7.72	6.42	5.46	4.77
Market range:						
High	$	28 3/8	21 3/8	14	8	5 1/2
Low	$	15 3/4	9 7/8	6	4	3 1/2

OTHER DATA

Orders on hand	$ 115,520	54,206	42,247	51,093	50,379
Depreciation and amortization	$ 15,066	12,156	14,550	15,657	16,886
Capital expenditures, net	$ 17,436	11,597	10,405	10,232	11,884
Average shares outstanding(*)	13,690	13,436	13,055	12,804	12,834
Current ratio	2.3	1.9	1.8	2.0	2.2
Interest coverage ratio	13.2	9.2	5.0	2.7	2.0
Debt to total capital employed	27.4%	24.0%	33.3%	49.0%	59.5%
Number of stockholders	1,459	1,567	1,705	1,865	1,970
Average number of employees	3,671	2,767	2,581	2,657	2,838
Average sales per employee	$ 180,903	176,350	177,009	167,731	152,463

</TABLE>

(*)including incremental common shares issuable under stock option plans

MANAGEMENT'S
DISCUSSION AND ANALYSIS

Genlyte Group Incorporated & Subsidiaries

Note: Throughout this discussion the term "Company" as used herein refers to The Genlyte Group Incorporated, including the consolidated results of The Genlyte Group Incorporated and Genlyte Thomas Group LLC.

RESULTS OF OPERATIONS

Net sales for 1998 were $664.1 million, increasing by $176.1 million, or 36.1% from 1997. The 1998 results include the operations of the Genlyte Thomas Group LLC ("Genlyte Thomas") since its formation on August 30, 1998, which contributed $145.3 million to the higher sales levels. Genlyte holds a 68% interest in Genlyte Thomas and accounts for it on a fully consolidated basis. The remaining 32% interest in Genlyte Thomas is held by Thomas Industries Inc. ("Thomas"). On a comparative basis, total net sales for all product lines contributed to Genlyte Thomas for the full year (including for the periods prior to the actual formation of Genlyte Thomas) were 5.8% higher than 1997. Comparable product line sales for 1997 were 8.3% higher than 1996. The Company primarily serves the commercial, residential and industrial lighting markets, the strength of which over the past two years contributed substantially to the sales growth in both years. New products introduced during both years have also contributed to sales growth. The new Gullwing in 1998 and Lytening in 1997 were significant examples of such new products.

Gross profit of the Company increased to $233.8 million in 1998 from $169.4 million in 1997, a 38.0% increase following a $14.7 million or 9.5% growth in gross profit from 1996 to 1997. Cost of sales decreased to 64.8% of sales in 1998 from 65.3% in 1997 and 66.1% in 1996. This continued trend is the result of ongoing productivity improvements, reductions in raw material costs, elimination of excess capacity (two facilities were closed in both 1997 and 1996), and the elimination of low margin products.

Selling and administrative expenses as a percent of sales decreased to 26.3% in 1998 from 27.0% in 1997 and 27.6% in 1996. The continued reduction in selling and administrative expense as a percent of sales is a result of maintaining existing levels of fixed costs to support increased sales, and facility closings which reduced certain variable costs as well as fixed selling and administrative expenses. These reductions were partially offset by increased research and development spending to support a steady flow of innovative new products.

Net interest expense amounted to $3.9 million in 1998, a decrease of .2 million, or 5.6% from 1997. This follows a decrease in net interest expense of $1.6 million or 27.7% from the 1996 level of $5.6 million. Net interest expense was lower due to a reduction in interest rates as well as a reduction in average net borrowings. During August 1998, however, the Company incurred additional debt and related interest expense with the formation of Genlyte Thomas.

At December 31, 1998, a hypothetical 1% increase in interest rates would result in a reduction of approximately $630 in pre-tax income. The estimated reduction is based upon no change in the volume or composition of debt at December 31, 1998.

Minority interest represents the 32% share of Thomas in Genlyte Thomas.

The effective rate of income tax expense was approximately 43% in 1998, 1997, and 1996.

FINANCIAL CONDITION
LIQUIDITY AND CAPITAL RESOURCES

The Company's cash flows from operations continue to provide adequate capital to meet operating and capital expenditures. A condensed consolidated statement of cash flows is as follows:

(Dollars in thousands)	For the years ended December 31, 1998	1997	1996
EBITDA	$ 65,871	$ 49,777	$ 42,998
Interest expense, net	(3,857)	(4,085)	(5,649)
Taxes on income	(20,188)	(14,423)	(9,802)
Working capital, other	5,075	(12,684)	9,888
Cash provided by operating activities	46,901	18,585	37,435
Cash used in investing activities, net	(15,555)	(11,597)	(10,405)
Cash used in financing activities, net	(24,445)	(8,229)	(24,398)
Increase (decrease) in cash	$ 6,901	$ (1,241)	$ 2,632

Cash provided by operations increased $28.3 million in fiscal 1998, reflecting higher net income and an increase in accounts payable and accrued expenses. Cash provided by operations decreased $18.9 million in fiscal 1997 mainly due to an increase in accounts receivable, other current assets and other assets from 1996.

The Company had working capital of $180 million at December 31, 1998, approximately $62 million of which was assumed in the formation of Genlyte Thomas. The Company had working capital of $82 million at December 31, 1997.

The Company's ratio of total debt to total capitalization was 27.4, 24.0 and 33.3 percent at December 31, 1998, 1997 and 1996 respectively, with total capitalization defined as total debt plus total stockholders' investment. The increase during 1998 was due to additional debt incurred with Genlyte Thomas' formation.

Genlyte Thomas entered into a $125 million revolving credit agreement with various banks in August 1998. This replaced a $100 million agreement held by Genlyte. At December 31, 1998 Genlyte Thomas had $28 million in borrowings and $19 million in outstanding letters of credit.

YEAR 2000 ISSUES

All divisions in the Company have established and are in the process of executing plans to prepare the Company's information technology (IT) systems and non-information technology systems with embedded technology (ET) for the year 2000 issue. These plans encompass the use of both internal and external resources to identify, correct and test systems for year 2000 readiness. External resources include nationally recognized consulting firms and other specialized technology resource providers.

The identification and documentation of affected IT and ET components is substantially complete. This inventory includes mainframe hardware and software, personal computer hardware and software, communications hardware and software, and various other devices controlled by ET (security systems, telephone systems, HVAC systems, manufacturing machinery, etc.) which may contain date processing functions. The assessment of this inventory with regard to year 2000 readiness is currently underway. The Company has determined or plans to determine the status of these components with regard to year 2000 readiness by contacting third party providers of these components or performing analyses utilizing internal or external resources. All components identified to date as non-year 2000 compliant have either been made compliant or are in the process of being replaced or upgraded to be made compliant.

The Company is also currently addressing the year 2000 readiness of third parties whose business interruption could have a material negative impact on the Company's business. These parties include customers, raw material vendors and other service providers. Customers, vendors and service providers have or will be contacted to determine their readiness.

Through December 31, 1998 the Company has spent $1.9 million on external resources, hardware and software required to address the year 2000 issue. It is estimated that an additional $2.4 million will be spent in 1999 to attain substantial year 2000 readiness.

Several divisions of the Company plan to replace customer service information systems which are not year 2000 compliant with systems that are year 2000 compliant. The inherent complexity of these systems makes the exact implementation dates of the replacement systems somewhat uncertain. In order to compensate for this uncertainty, the Company is in the process of developing and, in some cases, executing, contingency plans for the possibility that the existing customer service systems targeted for replacement would fail before the implementation of the new systems. These contingency plans involve handling certain business transactions outside the system as well as correcting problems with existing systems. A portion of the estimated additional expenditures above is for the planning and execution of these contingency plans. The amount of the estimated additional expenditures may increase or decrease depending on whether the execution of additional contingency plans is deemed necessary and whether contingency plans currently being executed are deemed no longer necessary.

Despite diligent preparation, unanticipated third-party failures, more general public infrastructure failures or failure to successfully conclude the Company's remediation efforts as planned could have a material adverse impact on results of operations, financial condition and/or cash flows in 1999 and beyond.

However, management believes the execution of this plan will not cause significant disruptions in the Company's business.

The statements contained in the foregoing year 2000 readiness disclosure are subject to certain protection under the Year 2000 Information and Readiness Disclosure Act.

FORWARD-LOOKING STATEMENTS

The forward-looking statements made by the Company are based on estimates which the Company believes are reasonable. This means that the Company's actual results could differ materially from such estimates as a result of being negatively affected as described above or otherwise positively affected.

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

Genlyte Group Incorporated & Subsidiaries

To the Stockholders of The Genlyte Group Incorporated:

We have audited the accompanying consolidated balance sheets of The Genlyte Group Incorporated (a Delaware corporation) and subsidiaries as of December 31, 1998 and 1997, and the related consolidated statements of income, stockholders' investment and cash flows for each of the three years in the period ended December 31, 1998. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Genlyte Group Incorporated and subsidiaries as of December 31, 1998 and 1997, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 1998, in conformity with generally accepted accounting principles.

/s/ ARTHUR ANDERSEN LLP

Arthur Andersen LLP
Louisville, Kentucky, February 10, 1999

CONSOLIDATED STATEMENTS OF INCOME

Genlyte Group Incorporated & Subsidiaries

	For the years ended December 31,		
Amounts in thousands, except per share data	1998	1997	1996
Net sales	$ 664,095	$ 487,961	$ 456,860
Cost of sales	430,327	318,556	302,138
Gross profit	233,768	169,405	154,722
Selling and administrative expenses	174,478	131,784	126,274
Operating profit	59,290	37,621	28,448
Interest expense, net	3,857	4,085	5,649
Minority interest	8,485	-	-
Income before income taxes	46,948	33,536	22,799
Income tax provision	20,188	14,423	9,802
Net income	$ 26,760	$ 19,113	$ 12,997

	1998	1997	1996
Earnings per share:			
Basic	$ 1.96	$ 1.46	$ 1.01
Diluted	$ 1.95	$ 1.42	$ 1.00

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEETS

Genlyte Group Incorporated & Subsidiaries

Amounts in thousands, except share data	As of December 31, 1998	1997
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$ 8,555	$ 1,654
Accounts receivable (less allowances for doubtful accounts of $10,907 and $6,864, respectively)	146,167	73,220
Inventories	137,004	80,847
Other current assets	25,520	18,385
Total current assets	317,246	174,106
Plant and equipment, at cost:		
Land	7,290	4,286
Buildings and leasehold interests and improvements	82,856	55,570
Machinery and equipment	218,886	153,285
Total plant and equipment	309,032	213,141
Less: accumulated depreciation and amortization	203,353	153,523
Net plant and equipment	105,679	59,618
Cost in excess of net assets of acquired businesses	57,944	12,434
Other assets	20,733	7,870
Total assets	$ 501,602	$ 254,028
LIABILITIES AND STOCKHOLDERS' INVESTMENT		
CURRENT LIABILITIES:		
Short-term borrowings	$ 1,932	$ -
Accounts payable	73,852	49,433
Accrued expenses and current portion of long-term debt	61,430	42,712
Total current liabilities	137,214	92,145
Long-term debt	60,852	32,785
Deferred income taxes	30,293	6,828
Minority interest	84,649	-
Other liabilities	22,362	18,541
Total liabilities	335,370	150,299
STOCKHOLDERS' INVESTMENT		
Common stock ($.01 par value, 30,000,000 shares authorized; 13,648,290 and 13,502,090 shares issued, respectively; 13,535,548 and 13,389,313 shares		

outstanding, respectively)	136	135
Additional paid-in capital	16,207	12,891
Retained earnings	120,526	93,766
Accumulated other comprehensive income	29,363	(3,063)
Total stockholders' investment	166,232	103,729
Total liabilities and stockholders' investment	$ 501,602	$ 254,028

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

Genlyte Group Incorporated & Subsidiaries

Amounts in thousands	For the years ended December 31, 1998	1997	1996
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 26,760	$ 19,113	$ 12,997
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	15,066	12,156	14,550
Loss (gain) from disposal of plant and equipment	259	(237)	41
Changes in assets and liabilities, net of effect of formation of Genlyte Thomas (See Note 3):			
(Increase) decrease in:			
Accounts receivable	(5,432)	(8,184)	(3,012)
Inventories	65	152	(4,778)
Other current assets	(3,575)	(3,476)	(2,359)
Other assets	(5,490)	(6,408)	1,423
Increase (decrease) in:			
Accounts payable and accrued expenses	9,866	(328)	18,419
Deferred income taxes	1,689	3,460	(1,294)
Minority interest	5,412	-	-
Other liabilities	2,521	1,897	1,357
Minimum pension liability	(732)	-	-
All other, net	492	440	91
Net cash provided by operating activities	46,901	18,585	37,435
CASH FLOWS FROM INVESTING ACTIVITIES:			
Acquisition, net of cash acquired	1,881	-	-
Purchases of plant and equipment, net of disposals	(17,436)	(11,597)	(10,405)
Net cash used in investing activities	(15,555)	(11,597)	(10,405)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Stock options exercised	3,317	1,770	994
Decrease in debt, net	(26,703)	(9,062)	(25,284)
Net cash used in financing activities	(23,386)	(7,292)	(24,290)

Effect of exchange rate changes on cash and cash equivalents	(1,059)	(937)	(108)
Net increase (decrease) in cash and cash equivalents	6,901	(1,241)	2,632
Cash and cash equivalents at beginning of year	1,654	2,895	263
Cash and cash equivalents at end of year	$ 8,555	$ 1,654	$ 2,895
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION			
Cash paid during the year for:			
Interest	$ 4,057	$ 3,256	$ 5,286
Income taxes	$ 18,445	$ 20,350	$ 9,853

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' INVESTMENT

Genlyte Group Incorporated & Subsidiaries

<TABLE>
<CAPTION>

For the years ended December 31, 1998, 1997, and 1996

Amounts in thousands	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Investment
<S>	<C>	<C>	<C>	<C>	<C>
Balance, December 31, 1995	$ 129	$ 10,133	$ 61,656	$ (2,018)	$ 69,900
Net income	-	-	12,997	-	12,997
Foreign currency translation adjustments	-	-	-	(108)	(108)
Total comprehensive income	-	-	12,997	(108)	12,889
Stock options exercised	2	992	-	-	994
Balance, December 31, 1996	$ 131	$ 11,125	$ 74,653	$ (2,126)	$ 83,783
Net income	-	-	19,113	-	19,113
Foreign currency translation adjustments	-	-	-	(937)	(937)
Total comprehensive income	-	-	19,113	(937)	18,176
Stock options exercised	4	1,766	-	-	1,770
Balance, December 31, 1997	$ 135	$ 12,891	$ 93,766	$ (3,063)	$ 103,729
NET INCOME	-	-	26,760	-	26,760
GAIN ON FORMATION OF GENLYTE THOMAS, BEFORE TAX	-	-	-	56,984	56,984
RELATED TAX EFFECT	-	-	-	(22,767)	(22,767)
GAIN ON FORMATION OF GENLYTE THOMAS, AFTER TAX	-	-	-	34,217	34,217
MINIMUM PENSION LIABILITY, BEFORE TAX	-	-	-	1,220	1,220

RELATED TAX EFFECT	-	-	-	(488)	(488)
MINIMUM PENSION LIABILITY, AFTER TAX	-	-	-	(732)	(732)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS	-	-	-	(1,059)	(1,059)
TOTAL COMPREHENSIVE INCOME	-	-	26,760	32,426	59,186
STOCK OPTIONS EXERCISED	1	3,316	-	-	3,317
BALANCE, DECEMBER 31, 1998	$ 136	$ 16,207	$ 120,526	$ 29,363	$ 166,232

</TABLE>

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Genlyte Group Incorporated & Subsidiaries
Amounts in thousands except per share data

Note: Throughout these notes, the term "Company" as used herein refers to The Genlyte Group Incorporated including the consolidated results of The Genlyte Group Incorporated and Genlyte Thomas Group LLC operations.

(1) DESCRIPTION OF BUSINESS

The Genlyte Group Incorporated, a Delaware corporation ("Genlyte") is a United States based multinational corporation. The Company designs, manufactures, and sells lighting fixtures and controls for a wide variety of applications in the commercial, industrial, and residential markets. The Company's products are marketed primarily to distributors who resell the products for use in residential, commercial, and industrial construction and remodeling.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION: The accompanying consolidated financial statements include the accounts of Genlyte and all consolidated subsidiaries, after elimination of intercompany accounts and transactions. These statements include the accounts of Genlyte Thomas Group LLC (Genlyte Thomas) as of December 31, 1998 and for the period from inception, August 30, 1998 through December 31, 1998. See Note 3 regarding the formation of Genlyte Thomas. Non-consolidated affiliates are accounted for using the equity method, under which Genlyte's share of these affiliates' earnings is included in income as earned.

USE OF ESTIMATES: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual amounts could differ from those estimates.

The Company operates in a highly competitive business environment, and its sales could be negatively affected by its inability to maintain or increase prices, changes in geographic or product mix or the decision of its customers to purchase competitive products instead of the Company's products. Sales could also be affected by pricing, purchasing, financing, operational, advertising or promotional decisions made by purchasers of the Company's products.

As the Company's business continues to expand outside the United States, the Company could experience changes in its ability to obtain or hedge against foreign currency rates and fluctuations in those rates. The Company could also be affected by nationalizations; unstable governments, economies, or legal systems; or intergovernmental disputes. These currency, economic and political uncertainties may affect the Company's results.

CASH EQUIVALENTS: The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

INVENTORIES: Inventories are stated at the lower of cost or market and include materials, labor and overhead. Inventories at December 31, consisted of the following:

	1998	1997
Raw materials and supplies	$ 43,167	$ 32,324
Work in process	14,529	5,613
Finished goods	79,308	42,910
Total inventories	$ 137,004	$ 80,847

Inventories valued using the last-in, first-out ("LIFO") method represented approximately 89% of total inventories at December 31, 1998. Inventories not valued at LIFO (primarily inventories of Canadian operations) are valued using the first-in, first-out ("FIFO") method. All inventories were valued using the FIFO method at December 31, 1997.

During 1998, the Company changed its method of accounting for certain inventories from the FIFO method to the LIFO method. This change, applied prospectively from the date of the change, was made to have a consistent method throughout the U.S. operations because the Thomas Lighting U.S. inventories, now consolidated with Genlyte through the Genlyte Thomas Group LLC, are valued using the LIFO method. This change increased net income by $507 or $.04 per diluted share.

On a FIFO basis, which approximates current cost, inventories would have been $2,350 lower than reported at December 31, 1998.

ADVERTISING COSTS: The Company expenses advertising costs principally as incurred. Certain catalog and literature costs are amortized over their useful lives, generally 2 - 3 years.

Plant and Equipment: The Company provides for depreciation of plant and equipment principally on a straight-line basis over the estimated useful lives of the assets. Useful lives vary among the constituent items in each classification, but generally fall within the following ranges:

Buildings and leasehold interests and improvements	10 - 40 years
Machinery and equipment	3 - 10 years

When the Company sells or otherwise disposes of property, the asset cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is included in the consolidated statements of income.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Leasehold interests and improvements are amortized over the terms of the respective leases, or over their estimated useful lives, whichever is shorter.

Maintenance and repairs are expensed as incurred. Renewals and betterments are capitalized and depreciated or amortized over the remaining useful lives of the respective assets.

Accelerated methods of depreciation are used for income tax purposes, and appropriate provisions are made for the related deferred income taxes.

COST IN EXCESS OF NET ASSETS OF ACQUIRED BUSINESSES: Cost in excess of net assets of purchased businesses acquired prior to 1971 is not amortized since, in the opinion of management, there has been no diminution in value. For businesses acquired subsequent to 1970, the cost in excess of net assets, aggregating $75,466 as of December 31, 1998 and $10,516 as of December 31, 1997, is being amortized on a straight-line basis over periods ranging from 20 to 40 years. Accumulated amortization was $22,445 as of December 31, 1998 and $3,262 as of December 31, 1997.

The Company periodically evaluates these intangible assets using discounted cash flows to assess recoverability from future operations. An impairment would be recognized as expense if a permanent diminution in value occurred. In the opinion of management, no material diminution in value has occurred during the periods presented in these consolidated financial statements.

RESEARCH AND DEVELOPMENT COSTS: Research and development costs are expensed as incurred. These expenses were $7,237 in 1998, $5,195 in 1997 and $4,475 in 1996.

TRANSLATION OF FOREIGN CURRENCIES: Balance sheet accounts of foreign subsidiaries are translated into U.S. dollars at the rates of exchange in effect as of the balance sheet date. The cumulative effects of such adjustments were $4,122 and $3,063 at December 31, 1998 and 1997, respectively, and have been charged to the cumulative foreign currency translation adjustment component of stockholders' investment. Income and expenses are translated at the average exchange rates prevailing during the year. Gains or losses resulting from foreign currency transactions are included in net income.

FAIR VALUE OF FINANCIAL INSTRUMENTS: The carrying amount of cash equivalents, short-term borrowings and long-term debt approximate fair value.

OTHER: Certain prior year amounts have been reclassified to conform to the current year presentation.

(3) FORMATION OF GENLYTE THOMAS GROUP LLC

On August 30, 1998, Genlyte and Thomas Industries Inc. ("Thomas") completed the combination of the business of Genlyte with the lighting business of Thomas ("Thomas Lighting"), in the form of a limited liability company named Genlyte Thomas Group LLC ("Genlyte Thomas"). Genlyte Thomas manufactures, sells, markets, and distributes consumer, commercial, industrial, and outdoor lighting fixtures and controls. Genlyte contributed substantially all of its assets and liabilities to Genlyte Thomas and received a 68% interest in Genlyte Thomas. Thomas contributed substantially all of its assets and certain related liabilities comprising Thomas Lighting and received a 32% interest in Genlyte Thomas. The percentage interests in Genlyte Thomas issued to Genlyte and Thomas were based on arms-length negotiations between the parties with the assistance of their financial advisers.

For accounting purposes, Genlyte's majority ownership of Genlyte Thomas requires the assets and liabilities contributed by Thomas to Genlyte Thomas to be valued at their fair values in Genlyte Thomas' consolidated financial statements. The fair values attributed to the Thomas assets and liabilities result from management's preliminary determination of purchase accounting adjustments and are based upon available information and certain assumptions that management considers reasonable under the circumstances. Consequently, the amounts reflected in Genlyte Thomas' opening balance sheet are subject to change. The assets contributed by Genlyte to Genlyte Thomas are reflected at their historical cost.

To the extent the actual net working capital contributed by Thomas Lighting exceeded the target net working capital, Genlyte Thomas paid Thomas the difference of approximately $34,000. The target net working capital was determined by a formula that took into consideration Genlyte's adjusted net working capital, Thomas Lighting's net working capital, and Genlyte's net working capital as a percentage of net sales as of August 30, 1998.

Subject to the provisions in the Genlyte Thomas Group LLC Agreement ("the LLC Agreement") regarding mandatory distributions described below, and the requirement of special approval in certain instances, distributions to Genlyte and Thomas ("the Partners"), respectively, will be made at such time and in such amounts as determined by the Genlyte Thomas Management Board and shall be made in cash or other property in proportion to the Partners' respective percentage interests. Notwithstanding anything to the contrary provided in the LLC Agreement, no distribution under the LLC Agreement shall be permitted to the extent prohibited by Delaware law.

The LLC Agreement requires that Genlyte Thomas make the following distributions to the Partners:

(i) a distribution to each Partner, based on its percentage interest, for tax liabilities attributable to its participation as a Partner of Genlyte Thomas based upon the effective tax rate of the Partner having the highest tax rate; and

(3) FORMATION OF GENLYTE THOMAS GROUP LLC (CONT.)

(ii) subject to the provisions of Delaware law and the terms of the primary Genlyte Thomas credit facility, distributions (exclusive of the tax distributions set forth above) to each of the Partners so that Thomas receives at least an aggregate of $3,000 and Genlyte receives at least an aggregate of $6,375 per fiscal year beginning in fiscal year 1999.

The formation of Genlyte Thomas and the contribution of the net assets of Genlyte and Thomas Lighting to Genlyte Thomas in exchange for Genlyte's and Thomas' respective interests in Genlyte Thomas described above is referred to herein as the "Transaction."

Concurrent with the formation of Genlyte Thomas, Genlyte has recognized a one-time after-tax gain on the Transaction, which represents the excess of the fair market value of Thomas Lighting's contributed net assets over the historical book value of Genlyte's contributed net assets, net of deferred income taxes (as set forth in the table below):

68 percent of the fair value of Thomas Lighting	$ 94,547
32 percent of the historical book value of Genlyte's net assets contributed to Genlyte Thomas	37,563
Deferred income taxes	22,767
After-tax gain recognized on the formation of Genlyte Thomas by Genlyte	$ 34,217

On an unaudited pro forma basis (assuming the Transaction described above had occurred at the beginning of 1998 and 1997), the results would have been:

	1998	1997

Net sales	$ 929,123	$ 878,599
Net income	26,334	19,277
Earnings per share	$ 1.92	$ 1.43

The pro forma results do not purport to be indicative of what Genlyte's results of operations would have been had the Transaction in fact been consummated as of the assumed dates and for the periods presented, nor are they indicative of the results of operations for any future period.

(4) EARNINGS PER SHARE

During the fourth quarter of 1997, Genlyte adopted Statement of Financial Accounting Standards No. 128, "Earnings Per Share" ("SFAS No. 128"). SFAS No. 128 requires the presentation of basic earnings per share and diluted earnings per share. "Basic earnings per share" represents net income divided by the weighted-average number of common shares outstanding during the period. "Diluted earnings per share" represents net income divided by the weighted-average number of common shares outstanding during the period, adjusted for the incremental dilution of outstanding stock options, and is consistent with Genlyte's historical presentation.

	1998	1997	1996
Average common shares outstanding	13,671	13,127	12,859
Incremental common shares issuable:			
Stock option plans	19	309	196
Average common shares outstanding assuming dilution	13,690	13,436	13,055

(5) INCOME TAXES

The components of income before income taxes and the provisions for income taxes were as follows:

	1998	1997	1996
Income before income taxes:			
Domestic	$ 41,867	$ 29,771	$ 19,277
Foreign	5,081	3,765	3,522
	$ 46,948	$ 33,536	$ 22,799
Provision (benefit) for income taxes:			
Domestic:			
Currently payable	$ 18,457	$ 16,427	$ 11,332
Deferred	(329)	(3,411)	(2,857)
Foreign:			
Currently payable	1,871	1,538	1,475
Deferred	189	(131)	(148)
	$ 20,188	$ 14,423	$ 9,802

(5) INCOME TAXES (CONT.)

Undistributed earnings of non-U.S. subsidiaries included in consolidated retained earnings amounted to $26,857 at December 31, 1998. These earnings, which reflected full provision for non-U.S. income taxes, are indefinitely reinvested in non-U.S. operations or will be remitted substantially free of additional tax. Accordingly, no provision has been made for taxes that may be payable upon remittance of such earnings.

The provision for income taxes includes a deferred component that arose from the recording of certain items in different periods for financial reporting and income tax purposes. The sources of the domestic differences and the related tax effect were as follows:

	1998	1997	1996
Depreciation	$ 439	$ (1,308)	$ (1,083)
Inventory valuation	(82)	(1,779)	410
Pension accruals	79	(293)	(118)
Bad debt reserve	(1,021)	622	(1,259)
Other accruals/reserves	237	(1,046)	(850)
Intangible asset amortization	19	393	43
Total domestic deferred tax benefit	$ (329)	$ (3,411)	$ (2,857)

In 1998, 1997 and 1996, Genlyte's effective tax rate was 43% of income before income taxes. An analysis of the differences between the actual provision for income taxes and the provision at the U.S. Federal statutory tax rate follows:

	1998	1997	1996
Statutory federal rate	$ 16,432	$ 11,738	$ 7,979
State & local taxes, net of federal tax benefits	2,168	1,760	1,334
Other, net	1,588	925	489
Total provision for income taxes	$ 20,188	$ 14,423	$ 9,802

(6) LONG-TERM DEBT

Long-term debt at December 31 consisted of the following:

	1998	1997
Revolving credit notes	$ 28,000	$ 22,000
Industrial revenue bonds	10,500	10,500
Loan payable to Thomas	22,287	-
Other	267	343
	$ 61,054	$ 32,843
Less: current maturities	202	58
Total	$ 60,852	$ 32,785

Genlyte Thomas entered into a $125,000 revolving credit agreement (the "Facility") with various banks in August 1998 that matures in 2003. Under the most restrictive borrowing covenant, which is the fixed charge coverage ratio, Genlyte Thomas is allowed $29,000 in fixed charges. Genlyte Thomas could incur approximately $25,000 in additional fixed charges. Total borrowings under the Facility as of December 31, 1998 were $28,000. Outstanding borrowings bear interest at the option of the borrower, based on the bank's base rate or the LIBOR rate plus a spread determined by the Facility. The borrowings have been classified as long-term because of Genlyte Thomas' intention to refinance these obligations on a long-term basis through its revolving credit agreement. In addition, Genlyte Thomas has outstanding approximately $19,000 of letters of credit, which reduce the amount available to borrow under the Facility.

The amount outstanding under the Facility is secured by liens on domestic accounts receivable, inventories, and machinery and equipment, as well as the investments in certain subsidiaries of Genlyte Thomas. The value of assets subject to lien at December 31, 1998 was $297,284.

(6) LONG-TERM DEBT (CONT.)

Genlyte Thomas has $10,500 of variable rate demand Industrial Revenue Bonds that mature during 2009 to 2010. The average borrowing rate on these bonds was 3.5% in 1998 and 4.0% in 1997. These bonds are backed by the letters of credit mentioned above.

The loan payable to Thomas accrues interest quarterly based on the 90 day LIBOR rate plus a spread as determined by the Facility. This loan can be prepaid in whole or in part without penalty, ultimately maturing in 2003.

The annual maturities of long-term debt are summarized as follows:

Year ending December 31	
1999	$ 202
2000	65
2001	-
2002	-
2003	50,287
Thereafter	10,500
Total long-term debt	$ 61,054

(7) STOCK OPTIONS

The Genlyte 1998 Stock Option Plan (the "Plan") was established for the benefit of key employees and directors of Genlyte and its affiliates. The Plan replaced the 1988 stock option plan, options under which are currently outstanding. The Plan provides that an aggregate of 2,000,000 shares of Genlyte common stock may be granted as nonqualified stock options, provided that no options may be granted if the number of shares of Genlyte common stock that may be issued upon the exercise of outstanding options would exceed the lesser of 1,700,000 shares of Genlyte common stock or 10% of the issued and outstanding shares of Genlyte common stock.

The option exercise prices are established by the Board of Directors of Genlyte and cannot be less than the higher of the book value or the fair market value of a share of common stock on the date of the grant. Options became exercisable at the rate of 50% per year commencing two years after the date of the grant.

Transactions under the 1998 and 1988 Stock Option Plans are summarized below:

		Option or Exercise Price per Share		
	Shares	Low	High	Weighted Average
Outstanding December 31, 1995	1,078,715	4.53	7.63	5.58
Granted	211,750	7.50	10.25	8.44
Exercised	(208,741)	4.53	7.00	4.80

Canceled	(59,751)	4.53	8.00	5.48
Outstanding December 31, 1996	1,021,973	4.53	10.25	6.33
Granted	179,000	11.50	18.00	16.71
Exercised	(396,031)	4.53	7.63	5.07
Canceled	(93,992)	4.53	14.50	6.54
Outstanding December 31, 1997	710,950	4.56	18.00	9.63
Granted	235,960	16.25	25.75	20.03
Exercised	(146,950)	4.56	10.25	6.27
Canceled	(44,625)	4.75	21.98	13.54
OUTSTANDING DECEMBER 31, 1998	755,335	4.56	25.75	13.30
Exercisable at End of Year				
December 31, 1996	247,631	4.53	6.25	4.93
December 31, 1997	203,450	4.56	7.63	6.31
DECEMBER 31, 1998	369,125	4.75	10.25	7.72

(7) STOCK OPTIONS (CONT.)

The weighted average fair values of options granted in 1998, 1997 and 1996 were $10.05, $7.42 and $4.12, respectively. The options outstanding at December 31, 1998 have a weighted average remaining contractual life of 3.9 years.

The fair value of these options was estimated at the date of grant using a Black-Scholes option pricing model with the following assumptions:

	1998	1997	1996
Risk free interest rate	4.74%	5.89%	6.34%
Expected life, in years	5.9	5.0	5.0
Expected volatility	45.6	45.8	45.8
Expected dividends	-	-	-

The Black-Scholes pricing model was developed for use in estimating the fair value of non-traded options that have a seven- year vesting restriction. In addition, option valuation models require the input of highly subjective assumptions, including the expected stock price volatility. Because Genlyte's stock options have characteristics different from those of traded options, and changes in the subjective assumptions can materially affect the fair value estimate, in management's opinion, the existing models do not necessarily provide a reliable single measurement of the fair value of Genlyte's stock options.

The Company accounts for this plan under APB Opinion No. 25, under which no compensation cost has been recognized. Had compensation cost for the plan been determined consistent with Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS No. 123"), the Company's net income and earnings per share would have been reduced to the pro forma amounts below.

Because the method of accounting in SFAS No. 123 has not been applied to options granted prior to January 1, 1995, the resulting pro forma compensation cost may not be representative of that to be expected in future years.

		1998	1997	1996
Net income	As reported	$ 26,760	$ 19,113	$ 12,997
	Pro forma	$ 25,431	$ 18,610	$ 12,658
Earnings per share - basic	As reported	$ 1.96	$ 1.46	$ 1.01

	Pro forma	$ 1.86	$ 1.42	$ 0.98
Earnings per share - diluted	As reported	$ 1.95	$ 1.42	$ 1.00
	Pro forma	$ 1.86	$ 1.38	$ 0.97

(8) PREFERRED STOCK PURCHASE RIGHTS

In August 1989, Genlyte declared a dividend of one preferred stock purchase right on each share of Genlyte's common stock. Under certain conditions, each right may be exercised to purchase one one-hundredth share of a new series of junior participating cumulative preferred stock at an exercise price of $75.00 per share. The right may only be exercised within ten (10) business days after a person or group of persons (the "Holder") acquires, or commences a tender offer to acquire, 20% or more of Genlyte's outstanding common stock, or upon declaration by the Board of Directors. Upon the acquisition by the Holder of 20% or more of Genlyte's outstanding common stock, each right would represent the right to purchase, for $75.00, shares of Genlyte's common stock with a market value of $150.00. The rights may be redeemed by Genlyte at a price of $.01 per right and can be amended by Genlyte's Directors during the 10 day period prior to the exercise date. These rights expire on September 18,1999.

The preferred stock purchased upon exercise of the rights will be entitled to a minimum annual preferential dividend of $1.00 and a minimum liquidation payment of $1.00 per one-hundredth share of preferred stock. If Genlyte were to enter into certain business combination or disposition transactions with the Holder, each right would also be entitled to purchase, for $75.00, shares of the Holder's common stock with a market value of $150.00.

(9) Retirement Plans

The Company has eight defined benefit plans (excluding four such plans at a Canadian subsidiary), which cover the majority of its employees. Benefits under the plans are calculated on years of service; additionally, benefits for salaried employees are based on a formula including an average salary calculation, while benefits for union employees are based on fixed amounts for each year of service. Genlyte Thomas uses September 30 as the measurement date for the retirement plan disclosure of the five former Genlyte plans and December 31 for the three former Thomas plans. The Company also has other defined contribution plans, including those covering certain former Genlyte and Thomas employees. The 1998 contributions for such plans were determined as provided by the Capitalization Agreement dated April 28, 1998.

The Company's policy for funded plans is to make contributions equal to or greater than the requirements prescribed by the Employee Retirement Income Security Act. The plans' assets consist primarily of stocks and bonds. Pension costs for all Company defined benefit plans are actuarially computed.

The amounts included in the accompanying consolidated balance sheets based on the funded status of the five defined benefit plans at September 30, 1998 and 1997 follow:

	Retirement Benefits 1998	1997
CHANGE IN BENEFIT OBLIGATIONS		
Benefit obligations at October 1, 1997	$ 52,519	$ 46,661
Service cost	1,652	1,483
Interest cost	3,809	3,633

Benefits paid	(3,032)	(3,027)
Plan amendments	260	504
Other-primarily actuarial loss	4,461	3,265
Benefit obligations at September 30, 1998	$ 59,669	$ 52,519
CHANGE IN PLAN ASSETS		
Plan assets at fair value at October 1, 1997	$ 49,457	$ 40,622
Actual return (loss) on plan assets	(3,748)	9,646
Employer contributions	2,414	2,216
Benefits paid	(3,032)	(3,027)
Plan assets at fair value at September 30, 1998	$ 45,091	$ 49,457
FUNDED STATUS OF THE PLANS		
Plan assets (less than) benefit obligations	$ (14,578)	$ (3,062)
Unrecognized transition obligation at adoption	381	559
Unrecognized actuarial (gain) loss	332	(11,067)
Unrecognized prior service cost	2,320	2,343
Accrued pension liability	$ (11,545)	$ (11,227)
BALANCE SHEET ASSETS (LIABILITIES)		
Accrued benefit liability	$ (14,895)	$ (11,227)
Intangible asset	1,840	-
Accumulated other comprehensive income	1,510	-
Net liability recognized	$ (11,545)	$ (11,227)

	1998	1997
ASSUMPTIONS AS OF SEPTEMBER 30, 1998		
Discount rate	6.75%	7.50%
Rate of compensation increase	5.00%	5.00%
Expected return on plan assets	8.50%	8.50%

	1998	1997	1996
COMPONENTS OF NET PERIODIC BENEFIT COSTS			
Service cost	$ 1,652	$ 1,483	$ 1,278
Interest cost	3,809	3,633	3,358
Expected return on plan assets	(3,196)	(2,895)	(3,991)
Amortization of prior service cost	287	269	-
Recognized actuarial loss	191	178	1,771
Net pension expense of defined benefit plan	$ 2,743	$ 2,668	$ 2,416
Multi-employer plans for certain union employees	136	211	344
Total benefit costs	$ 2,879	$ 2,879	$ 2,760

(9) RETIREMENT PLANS (CONT.)

A summary of the plans in which benefit obligations and accumulated benefit obligations exceed fair value of assets follows:

	1998	1997
Benefit obligation	$ 59,669	$ 11,891
Accumulated benefit obligation	$ 52,010	$ 11,754
Plan assets at fair value	$ 45,091	$ 7,387

The Company provides post-retirement medical and life insurance benefits for certain former Thomas retirees and employees, and accrues the cost of such benefits during the service lives of such employees. A one-percentage-point change in the assumed healthcare cost trend rate would have approximately a $300 effect on the post-retirement benefit obligation and an insignificant effect on the post-retirement benefit expense.

The amounts included in the accompanying consolidated balance sheets for the three defined benefit plans and post-retirement benefit plans assumed from Thomas by Genlyte Thomas and based on the funded status at December 31, 1998 follow:

	Retirement Benefits 1998	Post-Retirement Benefits 1998
CHANGE IN BENEFIT OBLIGATIONS		
Benefit obligations at January 1, 1998	$ -	$ -
Service cost	137	8
Interest cost	472	83
Benefits paid	(404)	(166)
Obligations assumed by Genlyte Thomas	21,223	3,638
Other-primarily actuarial loss	-	94
Benefit obligations at December 31, 1998	$ 21,428	$ 3,657
CHANGE IN PLAN ASSETS		
Plan assets at fair value at January 1, 1998	$ -	$ -
Actual return on plan assets	3,967	-
Employer contributions	45	166
Benefits paid	(404)	(166)
Assets assumed by Genlyte Thomas	20,203	-
Plan assets at fair value at December 31, 1998	$ 23,811	$ -
FUNDED STATUS OF THE PLANS		
Plan assets in excess of (less than) benefit obligations	$ 2,383	$ (3,657)
Unrecognized net obligation at adoption	106	3,008
Unrecognized actuarial (gain)	(1,475)	(973)
Unrecognized prior service cost	1,697	-
Prepaid pension asset (post-retirement liability)	$ 2,711	$ (1,622)
BALANCE SHEET ASSETS (LIABILITIES)		
Prepaid benefit costs	$ 1,603	$ -
Accrued benefit liabilities	(13)	(1,622)
Intangible assets	1,121	-
Net asset (liability) recognized	$ 2,711	$ (1,622)
ASSUMPTIONS AS OF DECEMBER 31,1998		
Discount rate	6.75%	6.75%
Expected return on plan assets	9.00%	-
Initial health care cost trend rate	-	8.00%
Ultimate health care cost trend rate	-	4.50%
Year ultimate trend rate is achieved	-	2006

(9) RETIREMENT PLANS (CONT.)

	Retirement Benefits 1998	Post-Retirement Benefits 1998
COMPONENTS OF NET PERIODIC BENEFIT COSTS		
Service cost	$ 137	$ 8
Interest cost	472	83
Expected return on plan assets	(604)	-
Amortization of transition amount	18	-
Amortization of prior service cost	58	-
Recognized actuarial loss	11	69
Net pension expense of defined benefit plan	92	$ 160
Defined contribution plans	720	
Multi-employer plans for certain union employees	71	
Total benefit costs	$ 883	

The Company also maintains four defined benefit plans covering substantially all the employees of a Canadian subsidiary. The amounts included in the accompanying consolidated balance sheets, based on the funded status of these plans at December 31, 1998, and 1997 follow:

	Retirement Benefits 1998	Retirement Benefits 1997
CHANGE IN BENEFIT OBLIGATIONS		
Benefit obligations at January 1, 1998	$ 3,750	$ 3,559
Service cost	211	142
Interest cost	295	300
Benefit payments	(258)	(293)
Plan amendment	-	73
Other-primarily actuarial (gain) loss	564	(31)
Benefit obligations at December 31, 1998	$ 4,562	$ 3,750
CHANGE IN PLAN ASSETS		
Plan assets at fair value at January 1, 1998	$ 4,737	$ 4,219
Actual return on plan assets	338	751
Employer contributions	178	180
Member contributions	135	120
Benefits paid	(258)	(293)
Other	(100)	(240)
Plan assets at fair value at December 31, 1998	$ 5,030	$ 4,737
FUNDED STATUS OF THE PLAN		
Plan assets in excess of benefit obligations	$ 468	$ 987
Unrecognized actuarial (gain) loss	(54)	(390)
Unrecognized transition obligation	(36)	(40)
Unrecognized prior service cost	(78)	(84)
Prepaid pension asset at December 31, 1998	$ 300	$ 473

ASSUMPTIONS AS OF DECEMBER 31, 1998

Discount rate	6.5%	8.0%
Rate of compensation increase	4.0%	5.0%
Expected return on plan assets	6.5%	8.0%

	1998	1997	1996
COMPONENTS OF NET PERIODIC BENEFIT COSTS			
Service cost	$ 211	$ 142	$ 145
Interest cost	295	300	264
Expected return on plan assets	(315)	(368)	(312)
Amortization of transition amounts	(5)	(6)	(4)
Amortization of prior service cost	5	5	1
Recognized actuarial (gain) loss	2	(1)	-
Net benefit costs	$ 193	$ 72	$ 94

(10) ACCRUED EXPENSES

Accrued expenses at December 31 consisted of the following:

	1998	1997
Salaries, wages, and withholdings	$ 13,698	$ 9,933
Employee benefits	16,503	9,290
Advertising and sales promotion	8,168	6,103
Income and other taxes payable	6,075	2,720
Other accrued expenses	16,986	14,676
Total accrued expenses	$ 61,430	$ 42,712

(11) LEASE COMMITMENTS

The Company rents office space, equipment and computers under non-cancelable operating leases. Rental expense during 1998, 1997 and 1996 amounted to $4,229, $2,903 and $2,446, respectively. Future required minimum rental payments as of December 31, 1998 were as follows:

1999	$ 5,330
2000	3,788
2001	2,935
2002	1,131
2003	969
Thereafter	1,941
Total	$ 16,094

(12) CONTINGENCIES

Genlyte has been named as one of a number of corporate and individual defendants in an adversary proceeding filed on June 8, 1995, arising out of the Chapter 11 bankruptcy filing of Keene Corporation ("Keene"). Except for the last count, as discussed below, the claims and causes of action set forth in the June 8, 1995 complaint (the "complaint") are substantially the same as were brought against Genlyte in the U.S. District Court in New York in August 1993, (which original proceeding was permanently enjoined as a result of Keene's reorganization plan). The complaint is being prosecuted by the Creditors Trust created for the benefit of Keene's creditors (the "Trust"), seeking from the defendants, collectively, damages in excess of $700 million, rescission of certain asset sale and stock transactions, and other relief. With respect to Genlyte, the complaint principally maintains that certain lighting assets of Keene were sold to a predecessor of Genlyte in 1984 at less than fair value, while both Keene and Genlyte were wholly-owned subsidiaries of Bairnco Corporation ("Bairnco"). The complaint also challenges Bairnco's spin-off of Genlyte in August 1988. Other allegations are that Genlyte, as well as other corporate defendants, are liable as corporate successors to Keene. The complaint fails to specify the amount of damages sought against Genlyte. The complaint also alleges a violation of the Racketeer Influenced and Corrupt Organizations Act ("RICO").

Following confirmation of the Keene reorganization plan, the parties moved to withdraw the case from bankruptcy court to the Southern District of New York Federal District Court. The case is now pending before the Federal District Court. On October 13, 1998, the Court issued an opinion dismissing certain counts as to Genlyte and certain other corporate defendants. In particular, the Court dismissed the count of the complaint against Genlyte which alleged that the 1988 spin-off was a fraudulent transaction, and the count alleging a violation of RICO. The Court also denied a motion to dismiss the challenge to the 1984 transaction on statute of limitations grounds and ruled that the complaint should not be dismissed for failure to specifically plead fraud. See note 16 for discussion of events relative to this matter which occurred subsequent to December 31, 1998.

Genlyte believes that it has meritorious defenses to the adversary proceeding and will defend said action vigorously.

Additionally, the Company is a defendant and/or potentially responsible party, with other companies, in actions and proceedings under state and Federal environmental laws including the Federal Comprehensive Environmental Response Compensation and Liability Act, as amended ("Superfund"). Management does not believe that the disposition of the lawsuits and/or proceedings will have a material effect on the Company's financial condition, results of operations, or liquidity.

In the normal course of business, the Company is a party to legal proceedings and claims. When costs can be reasonably estimated, appropriate liabilities for such matters are recorded. While management currently believes the amount of ultimate liability, if any, with respect to these actions will not materially affect the financial condition, results of operations, or liquidity of the Company, the ultimate outcome of any litigation is uncertain. Were an unfavorable outcome to occur, the impact could be material to the Company.

(13) SEGMENT REPORTING

During the fourth quarter of 1998, the Company adopted Statement of Financial Accounting Standards No. 131, "Disclosures About Segments of an Enterprise and Related Information" (SFAS No. 131). SFAS No. 131 establishes standards for reporting information about operating segments in annual financial statements. It also establishes standards for related disclosures about products and services, and geographic areas. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. The Company's reportable operating segments include the Commercial Segment, the Residential Segment, and the Industrial and Other Segment. Intersegment sales are eliminated in consolidation and therefore not presented in the table below.

OPERATING SEGMENTS:

1998	Commercial	Residential	Industrial and Other	Total
Net sales	$ 495,249	$ 96,967	$ 71,879	$ 664,095
Operating profit	47,268	4,979	7,043	59,290
Assets	374,070	73,241	54,291	501,602
Depreciation and amortization	11,235	2,200	1,631	15,066
Expenditures for property	13,003	2,546	1,887	17,436

1997	Commercial	Residential	Industrial and Other	Total
Net sales	$ 373,123	$ 68,088	$ 46,750	$ 487,961
Operating profit	30,602	2,839	4,180	37,621
Assets	194,244	35,446	24,338	254,028
Depreciation and amortization	9,295	1,696	1,165	12,156
Expenditures for property	8,868	1,618	1,111	11,597

1996	Commercial	Residential	Industrial and Other	Total
Net sales	$ 348,365	$ 65,044	$ 43,451	$ 456,860
Operating profit	24,403	813	3,232	28,448
Assets	181,567	33,901	22,647	238,115
Depreciation and amortization	11,094	2,072	1,384	14,550
Expenditures for property	7,934	1,481	990	10,405

(14) GEOGRAPHICAL INFORMATION

The Company has operations throughout North America. Information about the Company's operations by geographical area for the years ended December 31, 1998, 1997 and 1996 follows. Foreign balances represent primarily Canada and some Mexico.

1998	United States	Foreign	Total
Net sales	$ 578,308	$ 85,787	$ 664,095
Operating profit	52,807	6,483	59,290
Assets	441,305	60,297	501,602
Depreciation and amortization	12,613	2,453	15,066
Expenditures for property	11,088	6,348	17,436

1997	United States	Foreign	Total
Net sales	$ 423,185	$ 64,776	$ 487,961
Operating profit	33,837	3,784	37,621
Assets	224,969	29,059	254,028
Depreciation and amortization	10,254	1,902	12,156
Expenditures for property	9,717	1,880	11,597

1996	United States	Foreign	Total
Net sales	$ 396,444	$ 60,416	$ 456,860
Operating profit	25,139	3,309	28,448
Assets	206,829	31,286	238,115
Depreciation and amortization	12,555	1,995	14,550
Expenditures for property	8,539	1,866	10,405

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Genlyte Group Incorporated & Subsidiaries

(15) Quarterly Results of Operations (Unaudited)

Amounts in thousands, except per share data

1998	Quarter 1st	2nd	3rd	4th	Full Year
Net sales	$ 130,124	$ 130,327	$ 174,178	$ 229,466	$ 664,095
Operating profit	11,625	12,339	16,330	18,996	59,290
Net income	6,146	6,475	6,900	7,239	26,760
Earnings per share:					
Basic	0.46	0.47	0.50	0.53	1.96
Diluted	0.45	0.47	0.50	0.53	1.95
Market price:					
High	20	28 3/8	27 7/8	20 3/4	28 3/8
Low	15 3/4	19 3/4	17	16	15 3/4

1997	Quarter 1st	2nd	3rd	4th	Full Year
Net sales	$ 113,298	$ 120,700	$ 123,981	$ 129,982	$ 487,961
Operating profit	7,104	9,386	9,718	11,413	37,621
Net income	3,494	4,689	4,927	6,003	19,113
Earnings per share:					
Basic	0.27	0.36	0.38	0.45	1.46
Diluted	0.26	0.35	0.37	0.44	1.42
Market price:					
High	14 1/4	14 1/8	19 5/8	21 3/8	21 3/8
Low	9 7/8	10 1/8	12 5/8	15 1/2	9 7/8

(16) SUBSEQUENT EVENT

With respect to the Keene litigation discussed in Note 12, on January 5 and 6, 1999, the Court rendered additional rulings further restricting the claims by the Trust against Genlyte and other corporate defendants, and dismissing the claims against all remaining individual defendants except one. The primary effect of the rulings with respect to claims against Genlyte was to require the Trust to prove that the 1984 sale of certain lighting assets of Keene was made with actual intent to defraud present and future creditors of Genlyte's predecessor.

Discovery, which was stayed since commencement of the action, has now been authorized by the Court to begin. Genlyte has filed its answer to the complaint and is in the process of responding to and requesting discovery.

STOCKHOLDER INFORMATION

Genlyte Group Incorporated & Subsidiaries

CORPORATE OFFICES
4360 Brownsboro Road, Suite 300,
P.O. Box 35120, Louisville, KY 40232

INVESTOR RELATIONS
Information and Form 10-K Please call or write the Investor Relations Department at (502) 893-4640

STOCK LISTING

Genlyte common stock is traded on the NASDAQ
National Market System under the symbol GLYT

TRANSFER AGENT
Bank of New York, 101 Barclay Street, New York, NY 10286
(800) 524-4458
e-mail: Shareowner-svcs@bankofny.com

INDEPENDENT PUBLIC ACCOUNTANTS
Arthur Andersen LLP, 2300 Meidinger Tower
Louisville, KY 40202

ANNUAL MEETING
The Annual Stockholders' Meeting will be held at 10:00a.m. eastern time on Wednesday, April 21, 1999, at the Camberley Brown Hotel, 4th and Broadway, Louisville, KY 40202.

WEB SITE
www.genlyte.com

BOARD OF DIRECTORS

[PHOTO OMITTED]
AVRUM I. DRAZIN
Chairman

[PHOTO OMITTED]
FRANK METZGER
Director

[PHOTO OMITTED]
DAVID M. ENGELMAN
Director

[PHOTO OMITTED]
LARRY K. POWERS
President & Chief Executive Officer

[PHOTO OMITTED]
FRED HELLER
Director & Chairman Emeritus

THE MANAGEMENT OF GENLYTE WOULD LIKE TO PAY TRIBUTE TO:

[PHOTO OMITTED]
GLENN W. BAILEY
Upon Mr. Bailey's retirement from the Board of Directors, words can not express the contributions that he has made to this Company. He served as the first Chairman of the Board and was instrumental in the founding of the Company. Quite literally, the success of Genlyte is directly attributable to Glenn's intuitiveness, integrity and persistence. Without his strategic vision and his exceptional management skills, this Company would not exist as we now know it.

[PHOTO OMITTED]
ROBERT B. CADWALLADER
Mr. Cadwallader, who has served on Genlyte's Board since its inception, is also retiring as a member. Bobby's influence has made a tremendous impact on the Company. His valuable counsel and business acumen will be missed, and we want to thank him for his valuable contributions to Genlyte.

[PHOTO OMITTED]
DONNA R. RATLIFF
Ms. Ratliff has been a key member of the Genlyte management team for many years,

having served as Senior Vice President, Vice President of Administration and Corporate Secretary, as well as a member of the Executive Committee. With much regret, Donna elected not to make the move to the new Genlyte headquarters in Louisville. That regret is shared even more deeply on Genlyte's part. Having worked her way up through the Company, Donna quickly became one of Genlyte's most valuable assets. Her wisdom, drive and dedication will be missed by all who have worked with her.

EXECUTIVE COMMITTEE

[PHOTO OMITTED]
Left to right (seated): Charles M. Havers, Supply Division; Dennis W. Musselman, Hadco/Bronzelite; Larry K. Powers(o), President and Chief Executive Officer; Richard J. Crossland, Executive Vice President, Chief Operating Officer; Ronald D. Schneider, Vice President, Operations. (Standing, l. to r.): George V. Preston, Day-Brite; Rene Marineau, Canlyte; William G. Ferko(o), Vice President, Chief Financial Officer and Treasurer; Jean Francois Simard, Lumec; Zia Eftekhar, Lightolier; Kevin J. Bonawitz, Thomas Lighting; Barry P. Thomson, Thomas Lighting, Canada; Bill Gendron, Gardco Emco McPhilben; Henry M. Glover, Wide-Lite; Daniel R. Fuller(o), General Counsel; Raymond L. Zaccagnini(o), Vice President, Administration and Corporate Secretary; Steven R. Carson, Controls; Jon Sayah, Forecast; Andy Ashley, Capri Omega.

(o) Also an officer of the Company

GENLYTE
VISIT US ONLINE@
HTTP://WWW.GENLYTE.COM
4360 Brownsboro Road, Suite 300,
P.O. Box 35120, Louisville, KY 40232

EXHIBIT 18

LETTER RE CHANGE IN ACCOUNTING PRINCIPLES

TO THE GENLYTE GROUP INCORPORATED

This letter is written to meet the requirements of Regulation S-K calling for a letter from a registrant's independent accountants whenever there has been a change in accounting principle or practice.

As of August 30, 1998, Genlyte changed from the first-in, first-out method of accounting for inventory to the last-in, first-out method. According to management of Genlyte, this change was made to have a consistent method throughout the U.S. operations because the Thomas Lighting U.S. inventories, now consolidated with Genlyte through Genlyte Thomas, are valued using the last-in, first-out method.

A complete coordinated set of financial and reporting standards for determining the preferability of accounting principles among acceptable alternative principles has not been established by the accounting profession. Thus, we cannot make an objective determination of whether the change in accounting described in the preceding paragraph is to a preferable method. However, we have reviewed the pertinent factors, including those related to financial reporting, in this particular case on a subjective basis, and our opinion stated below is based on our determination made in this manner.

We are of the opinion that Genlyte's change in method of accounting is to an acceptable alternative method of accounting, which, based upon the reasons stated for the change and our discussion with you, is also preferable under the circumstances in this particular case. In arriving at this opinion, we have relied on the business judgment and business planning of your management.

/s/ ARTHUR ANDERSEN LLP

ARTHUR ANDERSEN LLP

EXHIBIT 21

SUBSIDIARIES OF THE REGISTRANT

The Genlyte Group Incorporated owns 68% of Genlyte Thomas Group LLC. Genlyte Thomas Group LLC has the following subsidiaries:

1. Canlyte, Inc., a Canadian Corporation
2. Diaman-Mexo, S.A. De C.V., a Mexican Corporation
3. Genlyte Thomas Exports Inc., a Barbados Corporation
4. Lightolier De Mexico, S.A. De C.V., a Mexican Corporation
5. Lumec, Inc., a Canadian Corporation
6. Lumec-Schreder, Inc., a Canadian Corporation (50% owned)
7. Thomas Industries Corporation, a Canadian Corporation
8. Thomas De Mexico, S.A. De C.V., a Mexican Corporation
9. Thomas Schreder Co., a U.S. Partnership (50% owned)
10. Yamada Day-Brite, Ltd., a Japanese Corporation (50% owned)

EXHIBIT 23

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent auditors, we hereby consent to the incorporation of (a) our report dated February 10, 1999 included in The Genlyte Group Incorporated's (the "Company's") Annual Report to Stockholders for the year ended December 31, 1998 into the Company's Annual Report on Form 10-K for the year ended December 31, 1998 (the "Form 10-K") and (b) our reports dated February 10, 1999 included and incorporated into the Form 10-K, into the Company's previously filed Registration Statements on Form S-8 (Registration No.'s: 33-30722 and 33-27190).

/s/ ARTHUR ANDERSEN LLP

ARTHUR ANDERSEN LLP

Louisville, Kentucky
March 26, 1999

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EXHIBIT 99

EMPLOYMENT PROTECTION AGREEMENT

THIS AGREEMENT between The Genlyte Group Incorporated, a Delaware corporation (the "Corporation"), and _________________("the Executive"), dated as of the______ day of _________________.

WITNESSETH:

The Board of Directors of the Corporation (the "Board") has determined that it is in the best interests of the Corporation and its shareholders to assure that the Corporation will have the continued dedication of the Executive, notwithstanding the possibility, threat, or occurrence of a Change of Control (as defined below) of the Corporation. The Board believes it is imperative to diminish the inevitable distraction of the Executive by virtue of the personal uncertainties and risks created by a pending or threatened Change of Control, to encourage the Executive's full attention and dedication to the Corporation currently and in the event of any compensation arrangements upon a Change of Control which provide the Executive with individual financial security and which are competitive with those of other corporations and, in order to accomplish these objectives, the Board has authorized the Corporation to enter into this Agreement.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, it is hereby agreed by and between the Corporation and the Executive as follows:

1. OPERATION OF AGREEMENT. (a) EFFECTIVE DATE. The effective date of this Agreement shall be the date on which a Change of Control occurs (the "Effective Date"), provided that if the Executive is not employed by the Corporation (or by an entity which is majority-owned by the Corporation, including any corporation, partnership, joint venture or limited liability company, herein referred to as "a subsidiary," employment by any being deemed employment by the Corporation for purposes of this Agreement) on the Effective Date, this Agreement shall be void and without effect.

(b) TERM. This Agreement shall expire on December 31, 1999, provided that this Agreement shall automatically be extended for an additional one year period on the first of day of each calendar year commencing after 1999 unless the Corporation or the Executive shall have given the other party at least 60 days' prior written notice that it or he does not want the term to be so extended. Notwithstanding the foregoing, this Agreement shall not expire earlier than the second anniversary of a Change of Control which occurs before this Agreement shall have otherwise expired.

2. CHANGE OF CONTROL. For the purpose of this Agreement, a "Change of Control" shall be deemed to have occurred if: (i) any person (as defined in Section 3(a)(9) of the Securities Exchange Act of 1934, as amended from time to time (the "Exchange Act"), and as used in Sections 13(d) and 14(d) thereof), excluding the Corporation, any majority owned subsidiary of the Corporation (a "Subsidiary") and any employee benefit plan sponsored or maintained by the Corporation or any Subsidiary (including any trustee of such plan acting as trustee), but including a "group" as defined in Section 13(d)(3) of the Exchange Act (a "Person"), becomes the beneficial owner of shares of the Corporation having at least 34% of the total number of votes that may be cast for the election of directors of the Corporation (the "Voting Shares"); (ii) the Board or the shareholders of the Corporation shall approve any merger or other business combination of the Corporation, sale of the Corporation's assets or combination of the foregoing transactions (a "Transaction") other than a Transaction involving only the Corporation and one or more of its Subsidiaries, or a Transaction immediately following which the shareholders of the Corporation immediately prior to the Transaction continue to have a majority of the voting power in the resulting entity, excluding for this purpose any shareholder owning directly or indirectly more than 10% of the shares of the other company involved in the merger; (iii) the Board recommends that the shareholders of the Corporation tender or exchange their Voting Shares pursuant to a tender or exchange offer made by a Person; or (iv) within any 24-month period beginning on or after March 31, 1990, the persons who were directors of the Corporation immediately before the beginning of such period (the Incumbent Directors") shall cease (for any reason other than death) to constitute at least a majority of the Board or the Board of Directors of any successor to the Corporation, provided that any director who was not a director as of April 1, 1990 shall be deemed to be an Incumbent Director if such director was elected to the Board by, or on the recommendation of or with the approval of, at least two-thirds of the directors who then qualified as Incumbent Directors either actually or by prior his capacity as the Executive or as a director of the Corporation or a Subsidiary, where applicable in actions or events which give rise to a Change of Control, no Change of Control shall be deemed to have occurred for purposes of this agreement, provided that nothing in this sentence shall be construed to prohibit the Executive from participating in any compensation program which is reasonable in light of competitive practices.

3. EMPLOYMENT PERIOD. Subject to Section 6 of this Agreement, if the Executive is employed on the Effective Date, the Corporation agrees to continue the Executive in its employ, and the Executive agrees to remain in the employ of the Corporation (or a majority-owned subsidiary of the Corporation), for the period (the "Employment Period") commencing on the Effective Date and ending on the second

anniversary of the Effective Date. Notwithstanding the foregoing, if, prior to a Change of Control, the Executive is demoted to a lower position than the position held on the date first set forth above, the Board may declare that this

Agreement shall be without force and effect by written notice delivered to Executive within 30 days following such demotion and prior to the occurrence of a Change of Control.

4. DUTIES AND RESPONSIBILITIES. (a) NO REDUCTION IN POSITION. During the Employment Period, the Executive's duties and responsibilities shall be at least commensurate with those held, exercised and assigned immediately prior to the Effective Date, and the Executive's services shall be performed at the location where the Executive was employed immediately preceding the Effective Date. It is understood that, for purposes of this Agreement, such duties and responsibilities shall not be regarded as not commensurate merely by virtue of the fact that a successor shall have acquired all or substantially all of the business and/or assets of the Corporation as contemplated by Section 13(b) of this Agreement, provided that the Executive shall continue to have duties and responsibilities with respect to such successor or affiliated company commensurate with those of the Executive with respect to the Corporation prior to such acquisition. As used in this Agreement, the term "affiliated company" means any company controlling, controlled by, or under common control with the Corporation.

(b) BUSINESS TIME. From and after the Effective Date, the Executive agrees to devote his full business time during normal business hours to the business and affairs of the Corporation (or a majority-owned subsidiary of the Corporation) and to use his best efforts to perform faithfully and efficiently the responsibilities assigned to him hereunder, to the extent necessary to discharge such responsibilities, except for

(i) time spent in managing his personal, financial and legal affairs and serving on corporate, civic or charitable boards or committees, in each case only if and to the extent permitted prior to the Effective Date and not substantially interfering with the performance of such responsibilities, and

(ii) periods of vacation and sick leave to which he is entitled.

It is expressly understood and agreed that the Executive's continuing to serve on any boards and committees on which he is serving or with which he is otherwise associated immediately preceding the Effective Date shall not be deemed to interfere with the performance of the Executive's services to the Corporation (or a majority-owned subsidiary of the Corporation)

unless the Corporation shall have objected in writing to such service prior to the Effective Date.

5. COMPENSATION. (a) BASE SALARY. During the Employment Period, the Executive shall receive as base salary ("Base Salary") at a monthly rate at least equal to the monthly salary paid to the Executive by the Corporation and any of its affiliated companies immediately prior to the Effective Date. The

Base Salary shall be reviewed at least once each year after the Effective Date, and may be increased (but not decreased) at any time and from time to time by action of the Board or any committee thereof or any individual having authority to take such action in accordance with the Corporation's regular practices. Neither the Base Salary nor any increase in Base Salary after the Effective Date shall serve to limit or reduce any other obligation of the Corporation hereunder.

(b) MIC PROGRAM. In addition to the Base Salary, during each fiscal year of the Corporation ending during the Employment period the Executive shall be eligible to participate in the Organization Management Goals/ Management Incentive Compensation Program (the "MIC Program") as in effect immediately prior to the Effective Date. In no event shall the amount payable to the Executive under the MIC Program be less than the average of the amounts paid to the Executive under the MIC Program in respect to the three fiscal years of the Corporation ending immediately prior to the Effective Date (the "Average MIC Payment"). If a fiscal year of the Corporation begins, but does not end, during the Employment Period, the Executive shall receive an amount with respect to such fiscal year at least equal to the Average MIC Payment multiplied by a fraction, the numerator of which is the number of days of such fiscal year occurring during the Employment Period and the denominator of which is 365. Each amount payable pursuant to this Section 4(b) shall be paid in January of the year next following the year for which such amount is earned or awarded, unless electively deferred by the Executive pursuant to any deferral programs or arrangements that the Corporation may make available to the Executive.

(c) INCENTIVE, SAVINGS AND RETIREMENT PLANS. In addition to the Base Salary and the participation in the MIC Program as hereinabove provided, during the Employment Period, the Executive shall be entitled to participate in all incentive and savings plans and programs, including stock option plans and other equity based compensation plans, and in all retirement plans, on a basis providing him with the opportunity to receive compensation [without duplication of the amount payable under Section 4(b)] and benefits equal to the average of those provided by the Corporation to the Executive during the three years preceding the Effective Date under such plans and programs as in effect immediately prior to the Effective Date.

(d) BENEFIT PLANS. During the Employment Period, the Executive and his eligible dependents, as the case may be, shall be entitled to participate in or be covered under all medical, dental, disability, group life (including optional life), accidental death (including family accident) and travel accident insurance plans and programs of the Corporation as in effect immediately prior to the Effective Date.

(e) EXPENSES. During the Employment Period, the Executive shall be entitled to receive prompt reimbursement for all reasonable expenses incurred by the Executive in accordance with the policies and procedures of the Corporation as in effect immediately prior to the Effective Date.

(f) VACATION AND FRINGE BENEFITS. During the Employment Period, the Executive shall be entitled to paid vacation and fringe benefits (including, without limitation, the use of a Company provided automobile) in accordance with the policies of the Corporation as in effective immediately prior to the Effective Date.

(g) OFFICE AND SUPPORT STAFF. During the Employment Period, the Executive shall be entitled to an office or offices of a size and with furnishings and other appointments, and to secretarial and other assistance, at least equal to those provided to other key executives of the Corporation having comparable responsibilities.

(h) COMPARABLE OPPORTUNITY. If any plan, program or arrangement described in this Section 5 is modified or terminated, such plan, program or arrangement or a replacement plan, program or arrangement must continue to provide the Executive with substantially comparable benefits or opportunities, as the case may be.

6. TERMINATION. (a) DEATH OR DISABILITY. Subject to the provisions of Section 1 hereof, this Agreement shall terminate automatically upon the Executive's death. The Corporation may terminate this Agreement, after having established the Executive's Disability, by giving to the Executive written notice of its intention to terminate his employment. For purposes of this Agreement, "Disability" means disability which entitles the Executive to receive long-term disability benefits under the Corporation's long-term disability plan.

(b) VOLUNTARY TERMINATION. Notwithstanding anything in this Agreement to the contrary, at any time more than 180 days after the Effective Date the Executive may voluntarily terminate employment for any reason (including early or normal retirement under the terms of the Corporation's retirement plan as in effect from time to time); provided,

however, that if the Executive has notified the Corporation of his intended retirement date prior to the occurrence of a Change of Control and such date is within such 180 day period, the Executive may retire on such date without breaching this Agreement. To voluntarily terminate employment (other than pursuant to the provision in the preceding sentence) the Executive must provide 30 days' written notice to the Corporation, which notice may be given prior to the 180th day after the Effective Date. The Executive agrees that the Corporation shall be entitled to receive, as liquidated damages for breach of his obligation to remain employed for 180 days following a Change of Control [or such shorter period permitted under this Section 6(b)], an amount equal to any amounts paid to the Executive during the Employment Period under the MIC Program or any other incentive plan described in Section 5(c). Nothing in this Section 6(b) shall be construed to treat any termination by Executive pursuant to Section 6(d) on account of Good Reason (as defined therein) as a voluntary termination under this Section 6(b).

(c) CAUSE. The Corporation may terminate the Executive's employment for Cause. For purposes of this Agreement, "Cause" means (i) an act or acts of dishonesty or gross misconduct on the Executive's part which result or are intended to result in material damage to the Corporation's business or reputation, (ii) repeated material violations by the Executive of his obligations under Section 4 of this Agreement which violations are demonstrably willful and deliberate on the Executive's part and which result in material damage to the Corporation's business or reputation or (iii) conviction of a felony.

(d) GOOD REASON. The Executive may terminate his employment for Good Reason. For purposes of this Agreement, "Good Reasons" means

(i) without the express written consent of the Executive, the assignment to the Executive of any duties which are not commensurate with or better than the Executive's duties and responsibilities as contemplated by Section 4 of this Agreement;

(ii) any failure by the Corporation to comply with any of the provisions of Section 5 of this Agreement, other than an insubstantial or inadvertent failure remedied by the Corporation promptly after receipt of notice thereof given by the Executive; or

(iii) without the express written consent of the Executive, the Corporation's requiring the Executive to be based at any office or location more than 35 miles from that specified under the provisions of Section 4 except for travel reasonably required in the performance

of the Executive's responsibilities or at any office or location which has been selected primarily to harass or otherwise inconvenience the Executive.

(e) NOTICE OF TERMINATION. Any termination by the Company for Cause or by the Executive for Good Reason shall be communicated by Notice of Termination to the other party hereto given in accordance with Section 15(c). For purposes of this Agreement, a "Notice of Termination" means a written notice given, in the case of a termination for Cause, within 30 days of the Corporation's having actual knowledge of the events giving rise to such termination, and in the case of a termination for Good Reason, within 120 days of the Executive' having actual knowledge of the events giving rise to such termination, and which (i) indicates the specific termination provision in this Agreement relied upon, (ii) sets forth in reasonable detail the facts and circumstances claimed to provide a basis for termination of the Executive's employment under the provision so indicated, and (ii) if the termination date is other than the date of receipt of such notice, specifies the termination date of this Agreement (which date shall be not more than 15 days after the giving of such notice). The failure by the Company or the Executive to set forth in the

Notice of Termination any fact or circumstance which contributes to a showing of Cause or Good Reason shall not waive any right of the Company or the Executive hereunder or preclude the Company or the Executive from asserting such fact or circumstance in enforcing any rights hereunder.

(f) DATE OF TERMINATION. For the purpose of this Agreement, the term "Date of Termination" means (i) in the case of a termination for which a Notice of Termination is required, the date of receipt of such Notice of Termination or, if later, the date specified therein, as the case may be, and (ii) in all other cases, the actual date on which the Executive's employment terminates during the Employment Period.

7. OBLIGATIONS OF THE CORPORATION UPON TERMINATION.

(a) DEATH. If the Executive's employment is terminated during the Employment Period by reason of the Executive's death, this Agreement shall terminate without further obligations to the Executive's legal representatives under this Agreement other than those obligations accrued hereunder at the date of his death, including, for this purpose (i) the Executive's full Base Salary through the Date of Termination, (ii) any compensation previously deferred by the Executive (together with any accrued earnings thereon) and not yet paid by the Corporation and any accrued vacation pay not yet paid by the Corporation and (iii) any other amounts or benefits owing to the Executive under the then applicable employee benefit plans or policies of the Corporation (such amounts specified in clauses (i), (ii) and (iii) are hereinafter referred to as "Accrued

Obligations"). Unless otherwise directed by the Executive (or, in the case of any employee benefit plan qualified (a "Qualified Plan") under Section 401(a) of the Internal Revenue Code of 1986, as amended the ("Code"), as may be required by such plan) all such Accrued Obligations shall be paid to the Executive in a lump sum in cash within 30 days of the Date of Termination. Anything in this Agreement to the contrary notwithstanding, the Executive's family shall be entitled to receive benefits at least equal to the level of benefits available to surviving families of executives of the Corporation under such plans, programs and policies relating to family death benefits, if any, in accordance with the policies of the Corporation in effect immediately prior to the Effective Date.

(b) DISABILITY. If the Executive's employment is terminated by reason of the Executive's Disability, unless otherwise directed by the Executive (or, in the case of any Qualified Plan, as may be required by such plan), the Executive shall be paid all Accrued Obligations in a lump sum in cash within 30 days of the Date of Termination. Anything in this Agreement to the contrary notwithstanding, the Executive shall be entitled to receive disability and other benefits at least equal to the level of benefits available in accordance with the plans, programs and policies maintained by the Corporation relating to disability immediately prior to the Effective Date.

(c) CAUSE AND VOLUNTARY TERMINATION. If, during the Employment

Period, the Executive's employment shall be terminated for Cause or voluntarily terminated by Executive (other than on account of Good Reason), the Corporation shall pay the Executive the Accrued Obligations. Unless otherwise directed by the Executive (or, in the case of any Qualified Plan, as may be required by such plan), the Executive shall be paid all such Accrued Obligations in a lump sum in cash within 45 days of the Date of Termination and the Corporation shall have no further obligations to the Executive under this Agreement.

(d) TERMINATION BY CORPORATION OTHER THAN FOR CAUSE OR DISABILITY AND TERMINATION BY THE EXECUTIVE FOR GOOD REASON.

(i) LUMP SUM PAYMENTS. Subject to the provisions of Section 9 hereof, if during the Employment Period the Corporation terminates the Executive's employment other than for Cause or Disability, or the Executive terminates his employment for Good Reason, the Corporation shall pay to the Executive in a lump sum in cash within 15 days after the Date of Termination the aggregate of the following amounts:

(A) if not therefore paid, the Executive's Base Salary through the Date of Termination;

(B) a cash amount equal to two times the sum of

(1) The Executive's annual Base Salary at the rate specified in Section 5(d)(i)(A); and

(2) The Average MIC Payment as defined in Section 5(b).

(C) a cash amount equal to the present value of the incremental retirement benefits (including, without limitation, any pension, retiree life or retiree medical benefits) that would have been payable or available to the Executive under any Qualified Plan, or under any supplemental retirement, life or medical plan or arrangement, whether or not qualified, maintained by the Corporation or a Subsidiary based on the age and service the Executive would have attained or completed had the Executive continued in the Corporation's employ until the expiration of the Employment Period, determined using, where compensation at the Date of Termination, with such present value being calculated using the Discount Rate (as defined below); provided, however, that in lieu of any cash payment in respect of retirees life or medical coverage for which the Executive would have qualified by remaining in the Corporation's employ until the expiration of the Employment Period, the

Corporation may arrange for such coverage to continue for the Executive (or may secure equivalent conversion coverage) and shall pay the cost of such coverage. For purposes of this Agreement, the Discount Rate shall mean the average of the rate payable on U.S. Treasury notes having a term of one year and the rate payable on high quality corporate bonds having a term of not more than 10 years as reported on the Merrill Lynch Bond indexes (or other comparable indexes);

(D) a cash amount equal to the present value (determined using the Discount Rate) of any supplemental retirement benefits with respect to

which the Executive had not become vested prior to the Date of Termination; and

(E) a cash amount equal to any amounts (other than amounts payable to Executive under any Qualified Plans) described in Sections 7(a)(ii) and (iii).

(ii) INTEREST. In the event that the Company fails to pay the Executive the amount payable under Section 7(d)(i) when due, the Company shall also pay the Executive interest on such amount for each calendar quarter (or part thereof) during which a payment is overdue hereunder at a rate equal to the prime rate in effect at The Chase Manhattan Bank, N.A. on the first day of such calendar quarter, plus 3%. Any interest payable under this Section 7(d)(ii) which is not paid on the last day of the calendar quarter in which such interest accrues shall be added to the amount due under Section 7(d)(i) and shall also be payable with interest calculated in accordance with this Section 7(d)(ii).

(iii) BENEFITS. The Executive shall be entitled to continue for two years to participate at the level at which the Executive was participating at the Date of Termination in the Corporation's health, accident, disability and life insurance plans in effect immediately prior to the Effective Date (the "Additional Benefits") or, to the extent that Employee is no longer eligible to participate in any plan that provides such Additional Benefits, to receive benefits of equal value to the Additional Benefits to which he would otherwise be entitled, PROVIDED, HOWEVER, that any payments to which Employee would otherwise be entitled under this Section 7(d)(iii) shall be reduced by an amount equal to the value of any comparable benefits provided Employee by a subsequent employer;

(iv) PAYMENTS WITH RESPECT TO STOCK OPTIONS HELD BY EXECUTIVES. Upon the earlier to occur of (A) the merger of the Corporation with or into another corporation following a Change of Control, or (B) the date which is six months after the Date of Termination, Executive shall be paid an amount equal to the sum of (i) the product of (a) the excess of (x) the highest price offered for a share of common stock of the Corporation in conjunction with any tender offer or during the 60 day period immediately preceding the Effective Date, if the Change of Control occurs other than pursuant to a tender offer, over (v) the exercise price of any stock option held by the Executive at the Effective Date times (b) the number of shares of common stock of the Corporation subject to such options. Notwithstanding the foregoing, if the Executive otherwise receives the

value of any such stock option under the general provisions of any such award or any generally applicable provisions of any plan under which options are issued, the number of shares of common stock taken into account in determining the amount payable under this Section 7(d)(iv) shall be appropriately reduced.

(v) DISCHARGE OF CORPORATION'S OBLIGATIONS. Subject to the performance of its obligations under this Section 7(d), the Corporation shall have no further obligations to the Executive in respect of any termination by the Executive for Good Reason or by the Corporation other than for Cause or Disability, except to the extent expressly provided under any of the plans referred to in Section 5(c) or 5(d) or as otherwise provided under Section 8.

8. NON-EXCLUSIVITY OF RIGHTS. Nothing in this Agreement shall prevent or limit the Executive's continuing or future participation in any benefit, bonus, incentive or other plan or program provided by the Corporation or any of its affiliated companies and for which the Executive may qualify, nor shall anything herein limit or otherwise prejudice such rights as the Executive may have under any other agreements with the Corporation or any of its affiliated companies, including employment agreements or stock option agreements. Amount which are vested benefits or which the Executive is otherwise entitled to receive under any plan or program of the Corporation or any of its affiliated companies at or subsequent to the Date of Termination shall be payable in accordance with such plan or program.

9. CERTAIN REDUCTION OF PAYMENTS BY THE CORPORATION. (a) For purposes of this section, (i) a Payment shall mean any payment or distribution in the nature of compensation to or for the benefit of the Executive, whether paid or payable pursuant to this Agreement or otherwise; (ii) Agreement Payment shall mean a Payment paid or payable pursuant to this Agreement (disregarding this Section 9); (iii) Net After Tax Receipt shall mean the Present Value of a Payment net of all taxes imposed on the Executive with respect thereto under Section 1 and 4999 of the Code, determined by applying the highest marginal rate under Section 1 of the Code which applied to the Executive's taxable income for the current taxable year; (iv) "Present Value" shall mean such value determined in accordance with Section 280G(d)(4) of the Code; and (v) "Reduced Amount" shall mean the smallest aggregate amount of Payments which (a) is less than the sum of all Payments and (b) results in aggregate Net After Taxes Receipts which

would result if the aggregate Payments were any other amount less than the sum of all Payments.

(b) Anything in this Agreement to the contrary notwithstanding, in the event the Corporation's independent public accounting firm immediately prior to the Change of Control (the "Accounting Firm") shall determine that receipt of all Payments would subject the Executive to tax under Section 4999 of the Code, it shall determine whether some amount of Payments would meet the definition of a "Reduced Amount". If the Accounting Firm determines that there is a Reduced Amount, the aggregate Agreement Payments shall be reduced to such Reduced Amount; provided, however, that if the Reduced Amount exceeds the aggregate Agreement Payments, the aggregate Payments shall, after the reduction of all Agreement Payments, be reduced (but not below zero) in the amount of such excess.

(c) If the Accounting Firm determines that aggregate Agreement Payments or Payments, as the case may be, should be reduced to the Reduced Amount, the Corporation shall promptly give the Executive notice to that effect and a copy of the detailed calculation thereof, and the Executive may then elect, in his sole discretion, which and how much of the Payments shall be eliminated or reduced (as long as after such election the present value of he aggregate Payments equals the Reduced Amount), and shall advise the Corporation in writing of his election within 10 days of his receipt of notice. If no such election is made by the Executive within such 10 day period, the Corporation may elect which of the Agreement Payments or Payments, as the case may be, shall be eliminated or reduced (as long as after such election the present value of the aggregate Agreement Payments or Payments, as the case may be, equals the Reduced Amount) and shall notify the Employee promptly of such election. All determinations made by the Accounting Firm under this Section shall be binding upon the Corporation and the Executive and shall be made within 60 days of a termination of employment of the Executive. As promptly as practicable following such determination, the Corporation shall pay to or distribute for the benefit of the Executive such Payments as are then due to the Executive under this Agreement and shall promptly pay to or distribute for the benefit of the Executive in the future such Payments as become due to the Executive under this Agreement.

(d) While it is the intention of the Corporation and the Executive to reduce the amounts payable or distributable to the Executive hereunder only if the aggregate Net After Tax Receipts to the Executive would thereby be increased, as a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm hereunder, it is possible that amounts will have been paid or distributed by the Corporation to or for the benefit of the Executive pursuant to this Agreement which should not have been so paid or distributed ("Overpayment") or that additional amounts which will not have been paid or distributed by the Corporation to or for the benefit of the Executive pursuant to this Agreement should have been so paid or distributed ("Underpayment"), in each case, consistent with the calculation of the Reduced Amount hereunder. In the event that the Accounting Firm, based either upon the assertion of a deficiency by the Internal Revenue Service against the Corporation or the Executive which the Accounting Firm believes has a high probability of success or controlling precedent or other substantial authority, determines that an Overpayment has been made, any such Overpayment paid or distributed by the Corporation to or for the benefit of the Executive shall be treated for all purposes as a loan AB INITIO to the Executive which the Executive shall repay to the Corporation together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code; provided, however, that no such loan shall be deemed to have been made and no amount shall be payable to the Executive to the Corporation if and to the extent such deemed loan and payment would not either reduce the amount on which the Executive is subject to tax under Section 1 and Section 4999 of the Code or generate a refund of such taxes. In the event that the Accounting Firm, based upon controlling precedent or other substantial authority, determines that an Underpayment has occurred, any such Underpayment shall be promptly paid by the Corporation to or for the benefit of the Executive together with interest at the applicable federal rate provided for in Section 7872(f)(2) of the Code.

10. FULL SETTLEMENT. The Corporation's obligation to make the payments provided for in this Agreement and otherwise to perform its obligations hereunder shall not be affected by any circumstances, including, without limitation, any set-off, counterclaim, recoupment, defense or other right which the Corporation may have against the Executive or others whether by reason of the subsequent employment of the Executive or otherwise. In no event shall the Executive be obligated to seek other employment by way of mitigation of the amounts payable to the Executive under any of the provisions of this Agreement. In the event that the Executive shall in good faith give a Notice of Termination for Good Reason and it shall thereafter be determined that Good Reason did not exist, the employment of the Executive shall, unless the Corporation and the Executive shall otherwise mutually agree, be deemed to have terminated, at the date of giving such purported Notice of Termination, by mutual consent of the Corporation and the Executive and, except as provided in the last preceding sentence, the Executive shall be entitled to receive only those payments and benefits which he would have been entitled to receive at such date otherwise than under this Agreement.

11. LEGAL FEES AND EXPENSES. In the event that a claim for payment or benefits under this Agreement is disputed, the Corporation shall pay all reasonable attorney fees and expenses incurred by the Executive in pursuing such claim, provided that Executive is successful as to at least part of the disputed claim by reason of litigation, arbitration or settlement.

12. CONFIDENTIAL INFORMATION. The Executive shall hold in a fiduciary capacity for the benefit of the Corporation all secret or confidential information, knowledge or data relating to the Corporation or any of its affiliated companies, and their respective businesses, (i) obtained by the Executive during his employment by the Corporation or any of its affiliated companies and (ii) not otherwise known by the public (other than by reason of an unauthorized act by the Executive). After termination of the Executive's employment with the Corporation, the Executive shall not, without the prior written consent of the Corporation, unless compelled pursuant to an order of a court or other body having jurisdiction over such matters, communicate or divulge any such information, knowledge or data to anyone other than the Corporation and those designated by it. In no event shall an asserted violation of the provisions of this Section 11 constitute a basis for deferring or withholding any amounts otherwise payable to the Executive under this Agreement. The Executive acknowledges that, if a court of competent jurisdiction shall determine that the Executive shall have breached his obligation under this Section 12, it would be an appropriate remedy for such court to cause the Executive to remit to the Corporation any termination benefits paid to him under Section 7 in excess of the Accrued Obligations.

13. DISPUTES. Any controversy or claim arising out of or relating to this Agreement, or any breach thereof, shall be settled by arbitration in accordance with the rules of the American Arbitration Association then in effect in the State of New Jersey, and judgment upon such award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitration shall be held in Secaucus, New Jersey (or such other location as shall be mutually agreed upon between the parties). The cost of the arbitration shall be borne among the parties to the arbitration as determined by the arbitrator(s).

14. SUCCESSORS. (a) This Agreement is personal to the Executive and, without the prior written consent of the Corporation, shall not be assignable by the Executive otherwise than by will or by the laws of

descent and distribution. This Agreement shall inure to the benefit of and be enforceable by the Executive's legal representatives.

(b) This Agreement shall inure to the benefit of and be binding upon the Corporation and its successors. Excluding Genlyte Thomas Group LLC, the Corporation shall require any successor to all or substantially all of the business and/or assets of the Corporation, whether direct or indirect, by purchase, merger, consolidation, acquisition of stock, or otherwise, by an agreement in form and substance satisfactory to the Executive, expressly to assume and agree to perform this Agreement in the same manner and to the same extent as the Corporation would be required to perform if no such succession had taken place.

15. MISCELLANEOUS. (a) APPLICABLE LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, applied without reference to principles of conflict of laws.

(b) AMENDMENTS. This Agreement may not be amended or modified otherwise than by a written agreement executed by the parties hereto or their respective successors and legal representatives.

(c) NOTICES. All notices and other communications hereunder shall be in writing and shall be given by hand-delivery to the other party or by registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Executive: at the address listed on the last page hereof

If to the Corporation: The Genlyte Group Incorporated
4360 Brownsboro Road, Suite 300
Louisville, KY 40207

Attention: Secretary

or to such other address as either party shall have furnished to the other in writing in accordance herewith. Notice and communications shall be effective when actually received by the addressee.

(d) TAX WITHHOLDING. The Corporation may withhold from any amounts payable under this agreement such Federal, state or local taxes as shall be required to be withheld pursuant to any applicable law or regulation.

(e) SEVERABILITY. The invalidity or unenforceability of any provision of this Agreement shall not affect the validity or enforceability of any other provision of this Agreement.

(f) GENDER. For purposes of this Agreement, where the context so requires, the masculine shall mean the feminine.

(g) CAPTIONS. The captions of this Agreement are not part of the provisions hereof and shall have no force or effect.

IN WITNESS WHEREOF, the Executive has hereunto set his hand and the Corporation has caused this Agreement to be executed in its name on its behalf, and its corporate seal to be hereunto affixed and attested by its Secretary, all as of the day and year first above written.

ATTEST: GENLYTE GROUP INCORPORATED

Secretary
(Seal)

By:----------------------------

Title:-------------------------

EXECUTIVE

Address:
