UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934

OR

[_] TRANSITION REPORT PURSUANT TO SECTION 13 OR
15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For Quarter Ended November 27, 1999 Commission File Number 0-6365

APOGEE ENTERPRISES, INC.
(Exact Name of Registrant as Specified in Charter)

Minnesota	41-0919654
(State of Incorporation)	(IRS Employer ID No.)

7900 Xerxes Avenue South, Suite 1800, Minneapolis, Minnesota 55431
(Address of Principal Executive Offices)

Registrant's Telephone Number (612) 835-1874

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 [_]

APPLICABLE ONLY TO CORPORATE ISSUERS:

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

Class	Outstanding at December 31, 1999
Common Stock, $.33-1/3 Par Value	27,749,015

APOGEE ENTERPRISES, INC. AND SUBSIDIARIES
FORM 10-Q
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Item 1. Financial Statements

APOGEE ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Dollars)

	November 27, 1999	February 27, 1999
ASSETS	(unaudited)	
Current assets		
Cash and cash equivalents	$ 1,074	$ 1,318
Receivables, net of allowance for doubtful accounts	117,604	118,216
Inventories	71,037	68,171
Deferred tax assets	10,292	11,622
Other current assets	4,854	6,018
Total current assets	$204,861	205,345
Property, plant and equipment, net	198,184	180,428
Other assets		
Marketable securities - available for sale	26,320	27,239
Investments	429	570
Intangible assets, at cost less accumulated amortization of $11,222 and $9,446, respectively	54,387	55,077
Other	2,286	2,532
Total assets	$486,467	$471,191
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 31,691	$ 43,166
Accrued expenses	48,771	51,738
Billings in excess of costs and earnings on uncompleted contracts	15,817	11,622
Accrued income taxes	3,118	7,385
Current installments of long-term debt	462	1,300
Total current liabilities	99,859	115,211
Long-term debt, less current installments	186,325	165,097
Other long-term liabilities	28,722	27,845
Net liabilities of discontinued operations	29,837	32,374
Shareholders' equity		
Common stock, $.331/3 par value; authorized 50,000,000 shares; issued and outstanding 27,759,000 and 27,623,000 shares, respectively	9,253	9,208
Additional paid-in capital	44,628	41,903
Retained earnings	89,137	80,194
Unearned compensation	(1,005)	(721)
Net unrealized (loss) gain on marketable securities	(289)	80
Total shareholders' equity	141,724	130,664
Total liabilities and shareholders' equity	$486,467	$471,191

See accompanying notes to consolidated financial statements.

APOGEE ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED RESULTS OF OPERATIONS
FOR THE THREE MONTHS AND NINE MONTHS ENDED
November 27, 1999 and November 28, 1998
(Thousands of Dollars Except Share and Per Share Amounts)
(unaudited)

	Three Months Ended		Nine Months Ended	
	November 27, 1999	November 28, 1998	November 29, 1999	November 28, 1998
Net sales	$202,790	$192,665	$632,363	$591,209
Cost of sales	172,231	150,365	509,552	462,591
Gross profit	30,559	42,300	122,811	128,618
Selling, general and administrative expenses	35,324	30,743	106,212	92,668
Operating (loss) income	(4,765)	11,557	16,599	35,950
Interest expense, net	2,438	2,289	7,664	7,143
(Loss) earnings from continuing operations before income taxes and other items below	(7,203)	9,268	8,935	28,807
Income tax (benefit) provision	(2,522)	3,337	3,127	10,371
Equity in net loss of affiliated companies	641	316	1,962	1,064
Minority interest	(34)	(53)	(311)	(116)
(Loss) earnings from continuing operations	(5,288)	5,668	4,157	17,488
Earnings from discontinued operations, net of income taxes	2,310	1,582	11,476	2,795
Net (loss) earnings	$ (2,978)	$ 7,250	$ 15,633	$ 20,283
(Loss) earnings per share-Basic				
Continuing operations	$ (0.19)	$ 0.21	$ 0.15	$ 0.63
Discontinued operations	0.08	0.06	0.41	0.10
Net (loss) earnings	$ (0.11)	$ 0.26	$ 0.56	$ 0.74
(Loss) earnings per share-Diluted				
Continuing operations	$ (0.19)	$ 0.20	$ 0.15	$ 0.63
Discontinued operations	0.08	0.06	0.41	0.10
Net (loss) earnings	$ (0.11)	$ 0.26	$ 0.56	$ 0.74

See accompanying notes to consolidated financial statements.

APOGEE ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED NOVEMBER 27, 1999 AND NOVEMBER 28, 1998
(Thousands of Dollars)
(unaudited)

	1999	1998
OPERATING ACTIVITIES		
Net earnings	$15,633	$20,283
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Net earnings from discontinued operations	(11,476)	(2,795)
Depreciation and amortization	25,083	19,532
Provision for losses on accounts receivable	1,555	1,364
Deferred income tax expense	1,557	4,549
Equity in net loss of affiliated companies	1,962	1,064
Minority interest	(311)	(116)
Net cash flow from (to) discontinued operations	4,498	(8,640)
Other, net	224	231
Cash flow before changes in operating assets and liabilities	38,725	35,472
Changes in operating assets and liabilities, net of effect of acquisitions		
Receivables	(327)	(17,208)
Inventories	(2,216)	(5,797)
Other current assets	1,164	2,135

Accounts payable and accrued expenses	(14,440)	(2,684)
Billings in excess of costs and earnings on uncompleted Contracts	4,195	7,266
Refundable income taxes and accrued income taxes	(1,972)	18,154
Other long-term liabilities	875	472
Net cash provided by operating activities	26,004	37,810
INVESTING ACTIVITIES		
Capital expenditures	(42,184)	(50,058)
Acquisition of businesses, net of cash acquired	(1,983)	(3,361)
Purchases of marketable securities	(12,185)	(14,605)
Sales/maturities of marketable securities	12,535	13,659
Investments in and advances to affiliated companies	(1,821)	(1,025)
Proceeds from sale of property and equipment	1,240	166
Net cash flow from discontinued operations	2,000	---
Other, net	(136)	126
Net cash used in investing activities	(42,534)	(55,098)
FINANCING ACTIVITIES		
Payments on long-term debt	(960)	(1,145)
Proceeds from issuance of long-term debt	21,350	16,497
Increase in deferred debt expenses	(330)	(2,188)
Proceeds from issuance of common stock	2,781	2,961
Repurchase and retirement of common stock	(2,179)	(1,182)
Dividends paid	(4,376)	(4,214)
Net cash provided by financing activities	16,286	10,729
Decrease in cash and cash equivalents	(244)	(6,559)
Cash and cash equivalents at beginning of period	1,318	7,853
Cash and cash equivalents at end of period	$ 1,074	$ 1,294

See accompanying notes to consolidated financial statements.

APOGEE ENTERPRISES, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

In the opinion of the Company, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of only normal recurring accruals) necessary to present fairly the financial position as of November 27, 1999 and November 28, 1998, the results of operations for the three months and nine months ended November 27, 1999 and November 28, 1998 and cash flows for the nine months ended November 27, 1999 and November 28, 1998. Certain prior year amounts have been reclassified to conform to the current period presentation.

The financial statements and notes are presented as permitted by Form 10-Q and do not contain certain information included in the Company's annual consolidated financial statements and notes. The information included in this Form 10-Q should be read in conjunction with Management's Discussion and Analysis and financial statements and notes thereto included in the Company's Form 10-K for the year ended February 27, 1999. The results of operations for the three months and nine months ended November 27, 1999 and November 28, 1998 are not necessarily indicative of the results to be expected for the full year.

The Company's fiscal year ends on the Saturday closest to February 28. Each interim quarter ends on the Saturday closest to the end of the months of May, August and November.

2. Earnings per share

The following table presents a reconciliation of the denominators used in the computation of basic and diluted earnings per share.

	Three Months Ended		Nine Months Ended	
	November 27, 1999	November 28, 1998	November 27, 1999	November 28, 1998
Basic earnings per share-weighted common shares outstanding	27,794,374	27,635,881	27,742,665	27,588,981
Weighted common shares assumed upon exercise of stock options	----	127,828	66,709	197,152
Diluted earnings per share-weighted common shares and common shares equivalent outstanding	27,794,374	27,763,709	27,809,374	27,786,133

3. Inventories

Inventories consist of the following:

	November 27, 1999	February 27, 1999
Raw materials	$18,572	$16,324
Work-in process	5,003	3,157
Finished	46,539	48,330
Cost and earnings in excess of billings on uncompleted contracts	923	360
Total inventories	$71,037	$68,171

4. Discontinued Operations

On May 13, 1999, the Company completed the sale of 100% of the stock of its large-scale domestic curtainwall business, Harmon Ltd., for consideration including $2 million cash and a $5.3 million secured, subordinated note. The results of Harmon Ltd., as well as those of the Company's Detention & Security unit, which was sold in November 1998, and the Company's international curtainwall operations are reported as discontinued operations. Earnings from operations of discontinued businesses, net of taxes, for the three months and nine months ended November 27, 1999 were $2.3 million and $11.5 million, respectively.

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

The following selected financial data should be read in conjunction with the Company's Form 10-K for the year ended February 27, 1999 and the consolidated financial statements, including the notes to consolidated financial statements, included therein.

Sales and Earnings

Third quarter net sales were $202.8 million, up 5% from $192.7 million a year ago. Net sales at Glass Technologies rose 10%, while net sales at Glass Services increased 3%. Third quarter results reflected a net loss from continuing operations of $5.3 million, or $0.19 per diluted share, compared with net earnings of $5.7 million, or $0.20 per diluted shared, in the year-ago quarter. This year's third quarter included $2.3 million after-tax, or $0.08 per diluted share, in earnings from discontinued operations, which mainly reflected recognition of tax benefits associated with the completion of the sale of the Company's domestic curtainwall operations.

Net sales for the nine months ended November 27, 1999, increased 7%, to $632.4

million, compared to $591.2 million a year ago. Year-to-date net earnings from continuing operations of $4.2 million fell 76% from the $17.5 million reported a year ago. Year-to-date net earnings from discontinued operations were $11.5 million, or $0.41 per diluted share. These results reflect significant cash collections related to the completion of certain projects from the Company's discontinued Asian curtainwall operations as well as the tax benefit noted above.

The following table presents the percentage change in net sales and operating income for the Company's two segments and on a consolidated basis, for three and nine months when compared to the corresponding periods a year ago.

(Dollars in thousands)	Three Months Ended November 27, 1999	Three Months Ended November 28, 1998	% Chg	Nine Months Ended November 27, 1999	Nine Months Ended November 28, 1998	% Chg
Net Sales						
Glass Technologies	$ 87,361	$ 79,329	10%	$ 264,237	$ 235,284	12%
Glass Services	117,050	113,520	3	372,298	356,482	4
Intersegment elimination	(1,621)	(184)	781	(4,172)	(557)	649
Net sales	$ 202,790	$ 192,665	5%	$ 632,363	$ 591,209	7%
Operating Income (Loss)						
Glass Technologies	$ (937)	$ 5,878	NM	$ 7,618	$ 14,905	(49)%
Glass Services	(3,593)	5,937	NM	9,705	21,703	55
Corporate and Other	(235)	(258)	(9)%	(724)	(658)	10
Operating income (loss)	$ (4,765)	$ 11,557	NM	$ 16,599	$ 35,950	(54)%

Glass Technologies (GT)

Net sales at GT increased 10% to $87.4 million, led by strong growth at Tru Vue, Viratec and Wausau. Due to low operating rates and additional costs incurred during the quarter to improve production rates at Viracon and Viratec, the segment reported an operating loss of $0.9 million compared with operating income of $5.9 million in last year's third quarter. Ramp-up of production volumes continued to progress at the Viracon and Viratec facilities in Statesboro, GA and San Diego, CA, respectively, but was well below original expectations.

Viracon, the segment's largest operating unit, reported net sales at prior year levels. Viracon reported an operating loss for the quarter as compared to solid earnings for the same period a year ago. The change in profitability was the result of the Owatonna, MN plant reporting a small loss for the quarter, while the new Statesboro, GA facility reported another operating loss. The Owatonna loss was due to reduced operating rates and additional costs incurred to position the facility for improved production velocity. These actions affected the facility until late in the third quarter. Viracon's Statesboro, GA facility reduced its operating loss, compared to the first two quarters of the fiscal year, while again increasing its sales and production volumes. However, the ramp-up is proceeding at a slower pace than originally planned. Backlog for Viracon at November 27, 1999 was at an all-time high of $38.6 million.

Viratec reported a larger operating loss for the quarter as compared to the same quarter a year ago despite a net sales increase of 48%. The decreased earnings were a result primarily of a slower than anticipated ramp-up of its technology change-over to accommodate a new product in its CRT coating operation in San Diego as well as its new vertical coater in Faribault, MN.

Tru Vue recorded increases of 15% and 31% in net sales and operating income, respectively, for the quarter as compared to the same period a year ago. These improvements reflect the strong demand for Tru Vue's higher margin, value-added picture framing glass products.

The Architectural Products Group, which consists of Wausau Window and Wall Systems and Linetec, also reported sales growth of 15% for the quarter as well as another solid quarter of operating income.

Despite strong backlog and strong demand for most of its products, GT expects to report lower operating earnings for the fourth quarter and the year as compared to the same periods in fiscal 1999. This primarily reflects the slower than expected ramp-up of production capacity at its Viracon and Viratec locations.

Glass Services (GS)

As compared to the prior year quarter, GS sales for the quarter increased 3% to $117.1 million. GS reported an operating loss of $3.6 million compared with operating income of $5.9 million in last year's third quarter.

The auto glass business reported a 1% decrease in net sales as compared to the third quarter of the prior year. A significant operating loss was recorded by this business primarily as a result of continued pricing pressures in the retail and wholesale business and soft retail demand. Same-store unit retail sales remained virtually unchanged for the quarter, but same-store dollar sales fell approximately 8% as a result of industry-wide pricing pressures. At the end of the quarter, GS had 335 retail locations and 80 Glass Depot distribution centers.

Harmon, Inc., the Company's full service building glass installation and repair business, reported a 50% decrease in operating income, compared to last year's extremely strong third quarter while reporting an 18% increase in net sales. Last year's results included significant margin recognition on the unit's construction contracts.

Auto glass industry conditions continue to be extraordinarily weak, particularly in pricing at the distribution and retail channels. Although the Company is working to reduce annualized operating costs, it anticipates another sizable operating loss for GS in the fourth quarter, which is historically the seasonal low point for

the auto glass industry. The Company is actively considering strategic alternatives for its auto glass business, which may require additional investment or expense, or both.

Discontinued Operations

On May 13, 1999, the Company completed the sale of 100% of the stock of its large-scale domestic curtainwall business, Harmon Ltd., for consideration including $2 million cash and a $5.3 million secured, subordinated note. The results of Harmon Ltd., as well as those of the Company's Detention & Security unit, which was sold in November 1998, and the Company's international curtainwall operations are reported as discontinued operations. Earnings from operations of discontinued businesses, net of taxes, for the three months and nine months ended November 27, 1999 were $2.3 million and $11.5 million, respectively.

Backlog

On November 27, 1999, Apogee's consolidated backlog stood at $178 million, up 15% from the $156 million reported a year ago. The backlog of GT's operations represented 64% of the Company's consolidated backlog.

Consolidated

The following table compares quarterly results with year-ago results, as a percentage of sales, for each caption.

	Three Months Ended		Nine Months Ended	
	Nov. 27, 1999	Nov. 28, 1998	Nov. 27, 1999	Nov. 28, 1998
Net sales	100.0	100.0	100.0	100.0
Cost of sales	84.9	78.0	80.6	78.2
Gross profit	15.1	22.0	19.4	21.8
Selling, general and administrative expenses	17.4	16.0	16.8	15.7
Operating (loss) income	(2.3)	6.0	2.6	6.1
Interest expense, net	1.2	1.2	1.2	1.2

(Loss) earnings from continuing operations before income and other items	(3.6)	4.8	1.4	4.9
Income taxes	(1.2)	1.7	0.5	1.8
Equity in net earnings of affiliated companies	0.3	0.2	0.3	0.2
Minority interest	0.0	0.0	0.0	0.0
(Loss) earnings from continuing operations	(2.6)	2.9	0.7	3.0
Earnings from discontinued operations	1.1	0.8	1.8	0.5
Net (loss) earnings	(1.5)	3.8	2.5	3.4
Effective tax rate	35.0%	36.0%	35.0%	36.0%

On a consolidated basis for the three-month and nine-month periods, gross profit fell significantly as a percentage of net sales. As compared to the prior year's nine-month results, gross profit at Tru Vue, Architectural Products and Harmon, Inc. increased due to solid demand and favorable sales mix for these operations, but not enough to offset the gross profit declines reported by Viracon, Viratec and the auto glass businesses, where margins fell for the reasons noted above.

Selling, general and administrative (SG&A) expenses rose by $4.6 million, or 15%, for the quarter, and by $13.5 million, or 15%, for nine months primarily due to increased personnel and outside services costs. A portion of the increased personnel costs represented classification variances associated with the Company's many system conversions; quantification of such classifications is not considered to be cost effective. Gross profit benefited as a result of these classification variances. Interest expense rose 7% over last year for both the three-month and nine-month periods, due to higher borrowing levels offset by slightly lower interest rates. The nine-month effective income tax rate was 35.0% compared to a 36.0% tax rate in fiscal 1999.

Liquidity and Capital Resources

Financial Condition

Net cash provided by operating activities
Cash provided by operating activities for the nine months ended November 27, 1999 totaled $26.0 million. That figure primarily reflected the combination of net earnings and noncash charges, such as depreciation and amortization. At quarter end, the Company's working capital stood at $105.0 million, an increase of $15.0 million over year-end fiscal 1999. This increase in working capital is primarily due to increased inventories, decreased payables/accruals and decreased income taxes payable, compared to year-end, fiscal 1999. Decreased deferred tax assets and increased billings in excess of costs partly offset these items. Increased bank borrowings reflect the excess of working capital, capital expenditures and dividend requirements over the Company's cash provided by operating activities.

Net cash provided by financing activities
Bank borrowings stood at $186.8 million at November 27, 1999; 12% higher than the $166.4 million outstanding at February 27, 1999. At November 27, 1999, long-term debt stood at 57% of total capitalization, as compared to 56% at fiscal year-end 1999.

The Company anticipates bank borrowings to increase slightly over the remainder of the fiscal year as working capital, capital expenditures and dividend requirements are expected to exceed the Company's cash provided by operating activities.

Net cash used in investing activities
Additions to property, plant and equipment during the nine months ended November 27, 1999 totaled approximately $42.2 million. Major items included expenditures for the GT expansion activities as well as expenditures on information systems projects throughout the Company. The Company expects to incur total expenditures of approximately $50 million in fiscal 2000, approximately half of which were expended in the first quarter.

Cash decreased $0.2 million for the nine months ended November 27, 1999.

Shareholders' Equity

At November 27, 1999, Apogee's shareholders' equity stood at $141.7 million. Book value per share was $5.11, up from $4.73 per share at February 27, 1999, with outstanding common shares decreasing nominally during the period. Net earnings and proceeds from common stock issued in connection with the Company's stock-based compensation plans accounted for the increase, slightly offset by dividends paid.

Impact of Year 2000

Each of the Company's businesses had project teams in place to evaluate its Information Technology (IT) systems, non-IT systems, and third-party readiness for compliance with Year 2000 requirements. For these purposes, the Company defines its "IT systems" as those hardware and software systems which comprise its central management information systems and its telephone systems. All other systems, including those involved in local, on-site product design or manufacturing, are considered "non-IT systems." "Third parties" include the Company's key suppliers and customers.

Across the Company, remediation activities were completed prior to the calendar year rollover. Each business organized planning, testing and support teams to monitor systems, equipment and facilities before, during and after New Year's weekend. As of January 5th, no material issues have surfaced in any business operations, systems or third party relationships. While the Company does not expect further Year 2000 issues to arise, project teams will continue to monitor IT and non-IT systems through normal operational and support processes.

Virtually none of the Company's products are date-sensitive.

Based on the Company's assessments completed through early January 2000, the Company's total cost of addressing Year 2000 issues is currently estimated to be in the range of $6-7 million. Aside from costs to implement ERP projects for other business purposes, the IT-related portion of the total Year 2000 costs is estimated to be 90% of total Year 2000 expenditures.

The Company recognizes that issues related to Year 2000 constitute a material known uncertainty. The Company believes it has been taking reasonable steps to address the Year 2000 problem. The failure to identify and remediate Year 2000 problems or the failure of external third parties who do business with the Company to effectively remediate their Year 2000 issues could cause system failures or errors, business interruptions and, in a worst case scenario, the inability to operate in the ordinary course of business for an unknown length of time. The effect on the Company's results of operations, financial position, or liquidity could be materially adverse.

New Accounting Standards

In June 1998, Statement of Financial Accounting Standards (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities, was issued and, as amended by SFAS No. 137, is effective for fiscal years beginning after June 15, 2000, although earlier application is permitted. SFAS No. 133 requires all derivatives to be measured at fair value and recognized as assets or liabilities on the balance sheet. Changes in the fair value of derivatives should be recognized in either net earnings or other comprehensive earnings, depending on the designated purpose of the derivative. The Company expects to adopt SFAS 133 in Fiscal 2002. SFAS No. 133 is not expected to have a material impact on the Company's financial position or results of operations.

Cautionary Statements

This report contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements may include forward-looking statements which reflect the Company's current views with respect to future events and financial performance. The words "believe," "expect," "anticipate," "intends," "estimate," "forecast," "project," "should" and similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. All forecasts and projections in this document are "forward-looking statements," and are based on management's current expectations of the Company's near-term results, based on current information available pertaining to the Company, including the risk factors noted below.

The Company wishes to caution investors that any forward-looking statements made by or on behalf of the Company are subject to uncertainties and other factors that could cause actual results to differ materially from such statements. These uncertainties and other risk factors include, but are not limited to: whether the cost savings programs implemented at the auto glass businesses will lead to improved operating results, the continuation of unfavorable industry conditions in the auto glass businesses, whether the strategic alternatives being considered for the auto glass businesses will be available on terms favorable to the Company, whether the production ramp-ups of new or expanded plant capacity in the Glass Technologies segment will proceed as anticipated and will lead to successful operating results for those companies now or in the future, whether demand for GT products and services will continue at present rates and whether generally favorable economic conditions will continue.

A number of other factors should be considered in conjunction with this report's forward-looking statements, any discussion of operations or results by the Company or its representatives and any forward-looking discussion, as well as comments contained in press releases, presentations to securities analysts or investors, or other communications by the Company. These other factors are set forth in the cautionary statement filed as Exhibit 99 to the Company's Form 10-K for the fiscal year ended February 27, 1999 and include, without limitation, cautionary statements regarding changes in economic and market conditions, factors related to competitive pricing, commercial building market conditions, management of growth of business units, greater than expected costs or difficulties related to the operation of the businesses, the impact of foreign currency markets, the integration of acquisitions, the realization of expected economies gained through expansion and information systems technology updates. New factors emerge from time to time and it is not possible for management to predict all such factors, nor can it assess the impact of each

such factor on the business or the extent to which any factor, or a combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements.

Item 3: Quantitative and Qualitative Disclosures About Market Risk

The Company does not enter into market risk-sensitive instruments for trading purposes. The Company's principal market risk is sensitivity to interest rates, due to its significant debt to total capitalization ratio. To manage the Company's direct risk from changes in market interest rates, management actively monitors the interest-sensitive components of the Company's balance sheet, primarily debt obligations, as well as market interest rates, in order to minimize the impact of changes in interest rates on net earnings and cash flow.

The primary measure of interest rate risk is the simulation of net income under different interest rate environments. The approach used to quantify interest rate risk is a sensitivity analysis. This approach calculates the impact on net earnings, relative to a base case scenario, of rates increasing or decreasing gradually over the next 12 months by 200 basis points. The changes in interest rates affecting the Company's financial instruments would result in approximately a $2.5 million impact to net earnings, based upon the Company's current debt obligations. All other things being equal, as interest rates increase, net earnings decrease; as interest rates decrease, net earnings increase.

The Company also routinely uses forward exchange contracts to hedge its net exposures, by currency, related to the foreign currency-denominated monetary assets and liabilities, and future firm commitments of its operations. Forward exchange contracts are also used from time to time to manage near-term foreign currency cash requirements. The primary objective of these hedging activities is to maintain an approximately balanced position in foreign currencies so that exchange gains and losses resulting from exchange rate changes, net of related tax effects, are minimized.

Given the Company's balanced foreign exchange position described above, an adverse change in foreign exchange rates upon which these contracts are based would result in exchange losses from these contracts that would, in all material respects, be fully offset by exchange gains on the underlying net monetary exposures for which the contracts are designated as hedges.

PART II

OTHER INFORMATION

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit 10.1	Waiver and Amendment No. 3 to Credit Agreement
Exhibit 27.	Financial Data Schedule (EDGAR filing only).
Exhibit 27.1	Restated Financial Data Schedule (EDGAR filing only).

CONFORMED COPY

SIGNATURES

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

APOGEE ENTERPRISES, INC.

Date: January 10, 2000

/s/Russell Huffer

Russell Huffer
Chairman, Chief Executive Officer and President

Date: January 10, 2000

/s/Robert G. Barbieri

Robert G. Barbieri
Vice President Finance and
Chief Financial Officer

EXHIBIT INDEX

Exhibit	
Exhibit 10.1	Waiver and Amendment No. 3 to Credit Agreement
Exhibit 27.	Financial Data Schedule (EDGAR filing only).
Exhibit 27.1	Restated Financial Data Schedule (EDGAR filing only).

Exhibit 10.1

WAIVER AND AMENDMENT NO. 3 TO CREDIT AGREEMENT

WAIVER AND AMENDMENT NO. 3, dated as of September 14, 1999 (this "Waiver and Amendment"), to the CREDIT AGREEMENT, dated as of May 21, 1998 (the "Credit Agreement"), among Apogee Enterprises, Inc., a Minnesota corporation (the "Borrower"), each of the lenders from time to time parties thereto (collectively, the "Lenders"), and The Bank of New York, as L/C Issuer, Administrative Agent for the Lenders and Swing Line Lender, as such Credit Agreement was amended by AMENDMENT NO. 1, dated July 22, 1998, and CONDITIONAL WAIVER AND AMENDMENT NO. 2, dated November 10, 1998.

RECITALS

A. The Borrower, in connection with the sale of certain of its subsidiaries, Harmon, Ltd. to CH Holdings, Inc. and Norment Industries, Inc. and Norshield Corporation to Compudyne Corporation, has purchased or will purchase shares of its capital stock from its pension plans to facilitate the transfer of the assets of such pension plans which relate to such subsidiaries to the respective pension plans of Compudyne Corporation and CH Holdings, Inc.

B. The Credit Agreement places certain restrictions on the Borrower's ability to purchase its capital stock.

C. The Lenders desire to waive these restrictions to the Credit Agreement with respect the abovementioned stock purchases.

D. In addition, the parties desire to make certain amendments to the Credit Agreement related to the purchase, redemption or other retirement by Borrower of its capital stock in general.

NOW, THEREFORE, the parties hereto hereby agree as follows:

Section 1. Amendments.

(a) Pursuant to Section 11.05 of the Credit Agreement, Section 7.02(f) of the Credit Agreement shall be amended to read in its entirety as follows:

"(f) Dividends and Purchase of Stock. (i) Declare any dividends (other than dividends payable in capital stock of the Borrower) on any shares of any class of its capital stock, or set apart any sum for the payment of any dividends on, or make any other distribution by reduction of capital or otherwise in respect of, any shares of any class of capital stock of the Borrower, or permit any Subsidiary which is not a Wholly Owned Subsidiary so to do, unless, immediately after giving effect to such action, (A) there shall not have occurred any Default or Event of Default that is continuing and (B) the aggregate amount of such distributions during any 12-month period shall not have exceeded 110% of such aggregate amounts distributed in the 12-month period preceding such 12-month period;

(ii) Apply any of its property or assets to the purchase, redemption or other retirement of, or set apart any sum for the purchase, redemption or other retirement of, any shares of any class of capital stock of the Borrower, or permit any Subsidiary which is not a Wholly Owned Subsidiary so to do, or permit any Subsidiary to purchase or acquire any shares of any class of capital stock of the Borrower, unless (A) immediately after giving effect to such action, (1) there shall not have occurred any Default or Event of Default that is continuing and (2) the aggregate amount of all such payments since September 14, 1999 shall not have exceeded the lesser of (x) $25,000,000 or (y) $23,804,000 plus, after the delivery by Borrower to the Administrative Agent of an officer's certificate in the form set forth in Exhibit A, an amount equal to the difference between $50,000,000 and the Borrower's actual Capital Expenditures in the 2000 fiscal year and (B) any such actions occur before September 30, 2000; and

(iii) Permit any Subsidiary to (x) issue a Guaranty or (y) enter into any agreement or instrument which by its terms restricts the ability of such Subsidiary to (A) declare or pay dividends or make similar distributions, (B) repay principal of, or pay any interest on, any Indebtedness owed to the Borrower or any Subsidiary described in Section 7.02(d)(xi)(A), (C) make payments of royalties, licensing fees and similar amounts to the Borrower or any other Subsidiary, (D) make loans or advances to the Borrower or any other Subsidiary or (E) permit the Borrower to engage in consolidated cash management consistent with its current practices.

(b) Pursuant to Section 11.05 of the Credit Agreement, Sections 7.03(c) and (d) of the Credit Agreement shall be amended to read in their entirety as follows:

"(c) Senior Debt/EBITDA Ratio. The Senior Debt/EBITDA Ratio to exceed the ratio specified below: Date Ratio

Date	Ratio
Through September 13, 1999	3.75
After September 13, 1999 through March 3, 2001	3.25
After March 3, 2001 through March 2, 2002	2.75
After March 2, 2002	2.50;

(d) Debt/EBITDA Ratio. The Debt/EBITDA Ratio to exceed the ratio specified below:

Date	Ratio
Through September 13, 1999	4.25
After September 13, 1999 through March 3, 2001	3.50
After March 3, 2001 through March 2, 2002	3.00
After March 2, 2002	2.75."

Section 2. Waivers

(a) Pursuant to Section 11.05 of the Credit Agreement, the Required Lenders hereby waive the restrictions of Section 7.02(f) of the Credit Agreement (without giving effect to the amendment herein) with respect to:

(1) the purchase on June 30, 1999 by the Borrower of 37,088 shares of its common stock from its 401(k) and retirement plans which relate to the employees of Harmon, Ltd. (the "Harmon Pension Plans") in connection with the transfer of the assets of the Harmon Pension Plans to the 401(k) and retirement plans of CH Holdings, Inc.; and

(2) the purchase by the Borrower of up to 22,500 shares of its common stock from its 401(k) and retirement plans which relate to the employees of Norment Industries, Inc. and Norshield Corporation (the "Norment/Norshield Pension Plans") in connection with the transfer of the assets of the Norment/Norshield Pension Plans to the 401(k) and retirement plans of Compudyne Corporation.

(b) The purchases by the Borrower described in Section 2(a) shall not apply to the $25,000,000 limitation set forth in the proviso to Section 7.02(f)(i), as amended by Section 1 of this Waiver and Amendment.

Section 3. Miscellaneous.

(a) All capitalized terms not otherwise defined in this Waiver and Amendment shall have the meanings ascribed to them in the Credit Agreement.

(b) All provisions in Article XI of the Credit Agreement shall apply to this Waiver and Amendment with equal force and effect as if restated completely herein.

(c) Except as set forth in this Waiver and Amendment, the Credit

Agreement shall remain in full force and effect without amendment, modification or waiver. Execution and delivery hereof by a Lender shall not preclude the exercise by such Lender of any rights under the Credit Agreement (as amended by Section 1 hereof).

(d) This Waiver and Amendment shall be governed by and construed in accordance with the laws of the State of New York applicable to contracts made and to be performed entirely within such state.

(e) This Waiver and Amendment shall be effective on the first date as of which a counterpart hereof has been executed and delivered to the Administrative Agent under the Credit Agreement by the Borrower and the Required Lenders under the Credit Agreement.

[THE NEXT PAGE IS THE SIGNATURE PAGE.]

IN WITNESS WHEREOF, the parties hereto have caused this Waiver and Amendment to be duly executed as of the date first above written.

APOGEE ENTERPRISES, INC.

By: /s/ Gary R. Johnson

Name: GARY R. JOHNSON
Title: Assistant Secretary
Assistant Treasurer

THE BANK OF NEW YORK, as Administrative Agent, L/C Issuer and Swing Line Lender in the Credit Agreement

By: /s/ Richard Raffetto

Name: Richard A. Raffetto
Title: Vice President

LENDERS (and other Agents)

THE BANK OF NEW YORK, as a Lender in the Credit Agreement

By: /s/ Richard Raffetto

Name: Richard A. Raffetto
Title: Vice President

U.S. BANK NATIONAL ASSOCIATION, as Syndication Agent and a Lender in the Credit Agreement

By: /s/ Matthew A. Ross

Name: Matthew A. Ross
Title: Vice President

HARRIS TRUST AND SAVINGS BANK, as Documentation Agent and a Lender in the Credit Agreement

By: /s/ Andrew K. Peterson

Name: Andrew K. Peterson
Title: Managing Director

THE BANK OF NOVA SCOTIA, as Co-Agent and a Lender in the Credit Agreement

By: /s/ F.C.H. Ashby

Name: F.C.H. Ashby
Title: Senior Manager Loan Operations

COMERICA BANK, as Co-Agent and a Lender
in the Credit Agreement

By: /s/ Timothy O'Rourke

Name: Timothy O'Rourke
Title: Vice President

FIRSTAR BANK OF MINNESOTA, N.A., as a
Lender in the Credit Agreement

By: /s/ Dennis Ruggles

Name: Dennis Ruggles
Title: Vice President

THE SUMITOMO BANK, LIMITED, as a
Lender in the Credit Agreement

By: /s/ John H. Kemper

Name: John H. Kemper
Title: Senior Vice President

NORWEST BANK MINNESOTA,
NATIONAL ASSOCIATION, as a Lender in
the Credit Agreement

By: /s/ Chad Kortgard

Name: Chad Kortgard
Title: Corporate Banking Officer

REGIONS BANK, as a Lender in the Credit
Agreement

By: /s/ Ronald L. Miller

Name: Ronald L. Miller
Title: Vice President

Exhibit A

APOGEE ENTERPRISES, INC.

Officer's Certificate

I, Michael Bevilacqua, the Treasurer of Apogee Enterprises, Inc. (the "Company"), in connection with the Credit Agreement, dated as of May 21, 1998 and as amended from time to time (the "Credit Agreement"), among the Company, each of the lenders from time to time parties thereto, and The Bank of New York, as L/C Issuer, Administrative Agent for the Lenders and Swing Line Lender, hereby certify that:

(a) the Company's actual Capital Expenditures (as defined in the Credit Agreement) in the 1999 fiscal year were $81,196,000.

(b) Annex 1 hereto contains a true and complete calculation of the Company's actual Capital Expenditures in the 1999 fiscal year based on the Borrower's audited financial statements for the fiscal year ended February 27, 1999.

IN WITNESS WHEREOF, I have hereunto signed my name this 14th day of September, 1999.

By: /s/ M Bevilacqua

Name: Michael Bevilacqua
Title: Treasurer

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