



First Quarter Balance Sheets & Cash Flows

July 12, 1999

Apogee Enterprises, Inc. and Subsidiaries First Quarter Consolidated Balance Sheets and Cash Flows.

consolidated balance sheets		
	(Dollar amounts in thousands)	
	May 29, 1999 (Unaudited)	February 27, 1999
Assets		
Current Assets		
Cash and cash equivalents	5,775	1,318
Receivables, net of allowance for doubtful accounts	111,841	118,216
Inventories	69,999	68,171
Deferred tax assets	11,650	11,622
Other current assets	5,467	6,018
Total current assets	\$204,732	\$205,345
Property, plant & equipment, net	198,127	180,428
Other assets		
Marketable securities available for sale	23,942	27,239
Investments	521	570
Intangible assets, at cost less accumulated amortization of \$10,030 and \$9,446, respectively	55,116	55,077
Other	2,483	2,532
Total assets	\$484,921	\$471,191
Shareholders' Liabilities and Equity		
Current liabilities		
Accounts payable	31,601	43,166
Accrued expenses	47,572	51,738
Billings in excess of costs and earnings on uncompleted contracts	11,714	11,622
Accrued income taxes	9,709	7,385
Current installments of long-term debt	1,035	1,300
Total current liabilities	\$101,631	\$115,211

Long-term debt, less current installments	187,086	165,097
Other long-term liabilities	29,639	27,845
Net liabilities of discontinued operations	32,793	32,374
Shareholders' equity		
Common stock of \$.33-1/3 par value; authorized 50,000,000 shares; issued and outstanding, 27,761,000 and 27,623,000, respectively	9,253	9,208
Additional paid-in capital	43,879	41,903
Retained earnings	82,128	80,194
Unearned compensation	(1,450)	(721)
Net unrealized (loss) gain on marketable securities	(38)	80
Total shareholders' equity	\$133,772	\$130,664
Total liabilities and shareholders' equity	\$484,921	\$471,191

consolidated statements of cash flows

(Dollar amounts in thousands)
(Unaudited)

	Quarters Ended May 29, 1999	Quarters Ended May 30, 1998
Operating Activities		
Net earnings	4,570	3,878
Adjustments to reconcile net earnings to net cash provided by continuing operating activities:		
Net (earnings) loss from discontinued operations	(55)	310
Depreciation and amortization	8,373	6,726
Provision for losses on accounts receivable	806	629
Deferred income tax (benefit) expense	634	(5,279)
Equity in net loss of affiliated companies	440	300
Minority interest	(117)	--
Other, net	49	(7)
Cash flow before changes in operating assets and liabilities	\$ 14,700	\$ 6,557
Changes in operating assets and liabilities, net of effect of acquisitions:		
Receivables	6,185	(8,134)
Inventories	(1,102)	444
Other current assets	551	2,616
Accounts payable and accrued expenses	(15,730)	8,106
Billings in excess of costs and earnings on uncompleted contracts	92	1,161
Refundable income taxes and accrued income taxes	2,324	16,533
Other long-term liabilities	581	(806)
Net cash provided by operating activities	\$ 7,601	\$ 26,477

INVESTING ACTIVITIES

Capital expenditures	(25,285)	(8,745)
Acquisition of businesses, net of cash acquired	(1,981)	(4,701)
Increase (decrease) in marketable securities	3,116	(8,120)
Investment in and advances to affiliated companies	(390)	(200)
Proceeds from sales of property and equipment	42	68
Other, net	(168)	(43)
Net cash used in investing activities	\$ (24,666)	\$ (21,741)

FINANCING ACTIVITIES

Payments on long-term debt	(376)	(526)
Proceeds from issuance of long-term debt	22,100	1,997
Increase in deferred debt expense	--	(2,837)
Proceeds from issuance of common stock	2,140	2,056
Repurchase and retirement of common stock	(852)	(115)
Dividends paid	(1,457)	(1,382)
Net cash provided by (used in) financing activities	\$ 21,555	\$ (807)

NET CASH FLOW FROM DISCONTINUED OPERATIONS

Increase in cash and cash equivalents	4,457	3,848
Cash and cash equivalents at beginning of year	1,318	7,853
Cash and cash equivalents at end of period	\$ 5,775	\$ 11,701