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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, 1993 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, 1993
Common Stock, $.33-1/3 Par Value	13,315,492

APOGEE ENTERPRISES, INC. AND SUBSIDIARIES
FORM 10-Q
TABLE OF CONTENTS
FOR THE QUARTER ENDED NOVEMBER 27, 1993

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

	November 27, 1993	February 27, 1993
ASSETS		
Current assets		
Cash and cash equivalents	$ 1,291	$ 8,908
Receivables, net	158,423	106,421
Inventories	45,780	40,189
Deferred income taxes	9,381	8,481
Other current assets	6,927	5,030
Total current assets	221,802	169,029

Property, plant and equipment, net	66,225	66,128
Intangible assets, at cost less accumulated amortization	3,421	4,917
Investments in and advances to affiliated companies	11,509	10,179
Other assets	1,270	1,203
Total assets	$304,227	$251,456
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 46,979	$ 37,200
Accrued expenses	39,176	36,414
Billings in excess of costs and earnings on uncompleted contracts	21,717	17,440
Accrued income taxes	4,468	4,556
Notes payable	22,800	-
Current installments of long-term debt	4,056	4,177
Total current liabilities	139,196	99,787
Long-term debt	35,809	28,419
Other long-term liabilities	12,436	10,915
Shareholders' equity		
Common stock, $.33-1/3 par value; authorized 50,000,000 shares; issued and outstanding 13,215,000 and 13,177,000 shares, respectively	4,405	4,392
Additional paid-in capital	16,375	15,845
Retained earnings	96,006	92,098
Total shareholders' equity	116,786	112,335
Total liabilities and shareholders' equity	$304,227	$251,456

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, 1993 AND NOVEMBER 28, 1992
(Thousands of Dollars Except Share and Per Share Amounts)

	Three Months Ended		Nine Months Ended	
	November 27, 1993	November 28, 1992	November 27, 1993	November 28, 1992
Net sales	$ 184,529	$ 146,723	$ 508,849	$ 423,403
Cost of sales	160,612	126,864	442,892	363,453

Gross profit	23,917	19,859	65,957	59,950
Selling, general and administrative expenses	18,617	17,769	55,156	53,509
Equity in (earnings) of affiliated companies	(259)	(1,086)	(1,453)	(1,337)
Operating income	5,559	3,176	12,254	7,778
Interest expense, net	916	376	2,236	1,378
Earnings before income taxes	4,643	2,800	10,018	6,400
Income taxes	1,741	780	3,757	2,112
Net earnings before cumulative effect of change in accounting principle	2,902	2,020	6,261	4,288
Cumulative effect of change in accounting principle	-	-	525	-
Net earnings	$ 2,902	$ 2,020	$ 6,786	$ 4,288
Earnings per common and common equivalent share:				
Earnings per share before cumulative effect of change in accounting principle	$ .22	$ .15	$ .47	$ .32
Cumulative effect of change in accounting principle	-	-	.04	-
Earnings per share	$ .22	$ .15	$ .51	$ .32
Weighted average number of common and common equivalent shares outstanding	13,278,000	13,182,000	13,252,000	13,329,000
Cash dividends per common share	$ .075	$ .070	$ .215	$ .20

See accompanying notes to consolidated financial statements.

APOGEE ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED NOVEMBER 27, 1993 AND NOVEMBER 28, 1992
(Thousands of Dollars)

	1993	1992
OPERATING ACTIVITIES		
Net earnings	6,786	4,288
Adjustments to reconcile net earnings to net cash used in operating activities:		
Cumulative effect of change in accounting principle	(525)	-
Depreciation and amortization	11,180	11,299
Provision for losses on accounts receivable	1,955	965
Noncurrent deferred income taxes	(660)	(56)
Equity in net earnings of affiliated companies	(1,453)	(1,337)

Other, net	1	97
Changes in operating assets and liabilities, net of effect of acquisitions:		
Receivables	(53,433)	(9,695)
Inventories	(3,305)	3,252
Other current assets	(1,674)	(558)
Accounts payable and accrued expenses	12,541	(5,951)
Billings in excess of costs and earnings on uncompleted contracts	4,277	5,542
Accrued and current deferred income taxes	(463)	(2,009)
Other long-term liabilities	2,181	1,523
Net cash (used in) provided by operating activities	(22,592)	7,360
INVESTING ACTIVITIES		
Capital expenditures	(8,204)	(7,182)
Acquisition of businesses, net of cash acquired	(3,834)	(289)
Investments in and advances to affiliated companies	98	(4,032)
Other, net	(844)	(35)
Net cash used in investing activities	(12,784)	(11,538)
FINANCING ACTIVITIES		
Payments on long-term debt	(6,831)	(7,714)
Proceeds from issuance of long-term debt	14,100	8,300
Proceeds from issuance of notes payable	22,800	-
Proceeds from issuance of common stock	554	1,508
Repurchase and retirement of common stock	(20)	(3,882)
Dividends paid	(2,844)	(2,661)
Net cash provided by (used in) financing activities	27,759	(4,449)
Decrease in cash	(7,617)	(8,627)
Cash and cash equivalents at beginning of period	8,908	18,742
Cash and cash equivalents at end of period	$ 1,291	$ 10,115

See accompanying notes to consolidated financial statements.

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

1. Summary of Significant Accounting Policies

Principles of Consolidation

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, 1993 and February 27, 1993, and the results of operations for the three months and nine months ended November 27, 1993 and November 28, 1992 and cash flows for the nine months ended November 27, 1993 and November 28, 1992. 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 financial statements and notes.

The results of operations for the nine-month period ended November 27, 1993 and November 28, 1992 are not necessarily indicative of the results to be expected for the full year.

Accounting period

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. Inventories

Inventories consist of the following:

	November 27, 1993	February 27, 1993
Raw materials and supplies	$10,727	$ 8,819
In process	4,566	2,315
Finished goods	26,136	23,148
Costs in excess of billings on uncompleted contracts	4,351	5,907
	$45,780	$40,189

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Sales and Earnings

Earnings for the third quarter rose 44 percent to $2.9 million, or 22 cents per share, from $2.0 million, or 15 cents per share, a year earlier. Sales for the same period climbed 26 percent to $184.5 million from $146.7 million. Year-to-date earnings and sales climbed 46 percent and 20 percent, respectively, before a gain of $525,000 recorded in the first quarter due to a change in accounting principle.

Strong revenue growth in commercial construction, specifically the recently acquired CFEM Facades, and glass fabrication accounted for most of the sales gain, while sharply improved profitability in glass fabrication and steady gains in auto glass and consumer glass markets combined to produce the higher earnings in both the current quarter and year to date.

The following table presents the percentage change in sales and operating income for the Company's four divisions and on a consolidated basis, for three and nine months when compared to the corresponding periods a year ago. Divisional results were mixed and are explained below.

Percentage Change	
Three Months Ended	Nine Months Ended

	November 27, 1993		November 27, 1993	
Division	Sales	Operating Income	Sales	Operating Income
Commercial Construction	41	Loss	29	Loss
Window Fabrication	(8)	Loss	4	Loss
Glass Fabrication	33	84	20	60
Installation and Distribution	10	16	15	145
Consolidated	26	75	20	58

Commercial Construction

As noted, the Commercial Construction Division's (CCD) revenues rose due largely to the recently acquired CFEM Facades (CFEM). CFEM reported a profit for the quarter while the remainder of the division continued to produce disappointing results. Very tight margins, especially in U.S. construction markets, along with high overseas operating costs, accounted for CCD's loss. Though the division reported a loss, CCD has narrowed the loss through continued work on overhead reduction and improved margins. Results in upcoming quarters, however, will likely continue to reflect the competitive nature of CCD's markets.

CCD's backlog rose 14% from the end of the second quarter to $386 million. The increase was principally due to the $80 million Kuala Lumpur job added to the Asian segment of CCD. Without the Kuala Lumpur job, CCD's backlog fell nine percent from the August ending

balance. Overall the Company's consolidated backlog rose to $423.9 million at the end of the third quarter, up 46% from a year ago and up 32% from the beginning of the fiscal year.

Window Fabrication

The Window Fabrication Division registered a decline in sales and an operating loss for the quarter. The architectural units experienced a number of manufacturing difficulties resulting in delayed deliveries and higher inventories. These factors, combined with low margins on current projects, led to another quarterly loss. The group is reviewing all aspects of its production systems to improve manufacturing efficiency and customer service. Earnings from the window coverings units helped to partially offset the architectural results, but a change in sales mix kept window coverings profit margin below historical levels.

Glass Fabrication

Glass Fabrication Division's (GFD) units produced significant earnings and sales growth in the third quarter. Strong demand for replacement auto glass supplied by GFD's Curvlite unit led the improvement although signs of slowing demand began to be felt. Viracon, the division's fabricator of architectural glass, also showed sizable earnings growth. The unit was near capacity as demand for its higher-value fabricated glass grew partly a result of competitor withdrawals.

Tru Vue, GFD's picture framing glass unit, continued to record healthy sales and earnings gains while proceeding with its integration of Miller Matboard, which was acquired early in the year. Marcon Coatings (Marcon), a joint venture, reported improved results for the quarter on higher volume. GFD expects further improvements in coming quarters.

Installation and Distribution

The Installation and Distribution Division (IDD) once again achieved strong results in both sales and earnings. High demand for replacement auto glass was the leading factor for the continued showing, although the division, like GFD's Curvlite unit, felt trailing off of demand near quarter end, some of which was seasonal. Fourth quarter results will depend on sales levels as IDD moves into its historically slowest quarter.

The division opened five distribution centers in the first nine months of the fiscal year bringing its total to 45 distribution facilities and 238 stores.

Viratec Thin Films

Viratec Thin Films (Viratec), a 50%-owned optical-grade glass coating joint venture, again reported solid gains for the period. Recently, some softness in pricing of coated glass for computer monitors has been noted. Meanwhile, the order backlog rose to a record level, and new product development efforts continue.

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, 1993	Nov. 28, 1992	Nov. 27, 1993	Nov. 28, 1992
Net sales	100.0	100.0	100.0	100.0
Cost of sales	87.0	86.5	87.0	85.8
Gross profit	13.0	13.5	13.0	14.2
Selling, general and administrative expenses	10.1	12.1	10.8	12.7
Equity in earnings of affiliated companies	(0.1)	(0.7)	(0.3)	(0.3)
Operating income	3.0	2.2	2.4	1.8
Interest expense, net	0.5	0.3	0.4	0.3
Earnings before income taxes	2.5	1.9	2.0	1.5
Income taxes	0.9	0.5	0.7	0.5
Net earnings before cumulative effect of change in accounting principle	1.6	1.4	1.2	1.0
Cumulative effect of change in accounting principle	0.0	0.0	0.1	0.0

Net earnings	1.6	1.4	1.3	1.0
	=====	=====	=====	=====
Income tax rate	37.5%	27.9%	37.5%	33.0%

On a consolidated basis for the three and nine months periods, cost of sales, as a percentage of net sales, rose as very thin margins at CCD and WFD's architectural units more than offset margin gains experienced within the auto replacement glass and fabricated architectural glass businesses. Selling, general and administrative (SG & A) expenses crept slightly higher but decreased as a percentage of sales due to higher sales. For the quarter, equity in earnings of affiliated companies decreased sharply, as earnings at the recently expanded Marcon Coatings joint venture significantly trailed last year's strong results. Also, the higher-than-expected earnings at the Viratec Thin Films joint venture resulted in the recording of income tax expense for the affiliated companies as their net operating loss carryforward will be fully utilized this fiscal year.

Net interest expense jumped significantly as increased borrowings were required to meet working capital needs. Income tax rates are slightly higher than a year ago, principally due to the higher earnings than a year ago, when a greater portion of profits reflected equity in earnings of affiliated companies, which are nontaxable at the consolidated level.

Liquidity and Capital Resources

The November balance sheet and the statement of cash flows reflect the working capital needs associated with the higher sales levels. Accounts receivable rose by 49% from the beginning of the year compared to sales growth of 20%. This was partially due to delayed collection on a major curtainwall project. Subsequent to quarter end, the account was brought current. Inventory growth reflected higher inventory levels at IDD due to its additional distribution facilities and higher work-in-progress inventories at WFD due to manufacturing bottlenecks discussed earlier.

During the quarter, the company raised its quarterly cash dividend 7% to 7.5 cents a share.

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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 7, 1994 — Donald W. Goldfus

Donald W. Goldfus
Chairman of the Board and
Chief Executive Officer

Date: January 7, 1994 — William G. Gardner

William G. Gardner
Treasurer, Chief Financial Officer
and Secretary

EXHIBIT II

STATEMENT OF DETERMINATION OF COMMON SHARES AND COMMON SHARE EQUIVALENTS

	Average No. of Common Shares & Common Share Equivalents Assumed to be Outstanding During the Three Months Ended		Average No. of Common Shares & Common Share Equivalents Assumed to be Outstanding During the Nine Months Ended	
	November 27, 1993	November 28, 1992	November 27, 1993	November 28, 1992
Weighted average number of common shares outstanding (a)	13,221,058	13,176,880	13,212,376	13,323,778
Common share equivalents resulting from the assumed exercise of stock options (b)	56,819	4,710	40,052	4,999
Total primary common shares and common share equivalents	13,277,877	13,181,590	13,252,428	13,328,777

(a) Beginning balance of common stock adjusted for changes in amount outstanding, weighted by the elapsed portion of the period during which the shares were outstanding.

(b) Common share equivalents computed by the "treasury" method. Share amounts represent the dilutive effect of outstanding stock options which have an option value below the average market value for the current period.