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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 29, 1997 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, 1997
Common Stock, $.33-1/3 Par Value	27,798,190

APOGEE ENTERPRISES, INC. AND SUBSIDIARIES
FORM 10-Q
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APOGEE ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Thousands of Dollars)

	November 29, 1997	March 1, 1997
ASSETS		
Current assets		
Cash and cash equivalents (including restricted funds of $-0- and $208, respectively)	$ 3,009	$ 4,065
Receivables, net of allowance for doubtful accounts	186,489	204,259
Inventories	65,917	58,261
Costs and earnings in excess of billings on uncompleted contracts	19,361	25,653
Refundable income taxes	-	1,004
Deferred tax assets	11,149	4,486
Other current assets	5,165	7,466
Total current assets	291,090	305,194
Property, plant and equipment, net	128,992	118,799
Marketable securities - available for sale	27,269	19,656
Investments	934	738
Intangible assets, at cost less accumulated amortization	51,401	52,451
Deferred tax assets	2,890	1,090
Other assets	2,250	3,036
Total assets	$504,826	$500,964
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable	$ 68,942	$ 73,325
Accrued expenses	69,203	61,435
Billings in excess of costs and earnings on uncompleted contracts	34,575	40,154
Current installments of long-term debt	1,671	1,707
Total current liabilities	174,391	176,621
Long-term debt	136,151	127,640
Other long-term liabilities	22,894	24,554
Shareholders' equity		
Common stock, $.33-1/3 par value; authorized 50,000,000 shares; issued and outstanding 27,897,000 and 27,882,000 shares, respectively	9,299	9,294
Additional paid-in capital	39,208	34,686
Retained earnings	125,088	129,424
Cumulative translation adjustment and unearned compensation	(2,205)	(1,255)
Total shareholders' equity	171,390	172,149
Total liabilities and shareholders' equity	$504,826	$500,964

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 29, 1997 AND NOVEMBER 30, 1996
(Thousands of Dollars Except Share and Per Share Amounts)

	Three Months Ended		Nine Months Ended	
	November 29, 1997	November 30, 1996	November 29, 1997	November 30, 1996
Net sales	$ 250,946	$ 228,781	$ 748,800	$ 710,543
Cost of sales	208,924	187,356	612,245	585,298
Gross profit	42,022	41,425	136,555	125,245
Selling, general and administrative expenses	32,560	28,942	97,134	87,881
Provision for restructuring and other unusual items	26,031	-	26,031	-
Operating income (loss)	(16,569)	12,483	13,390	37,364
Interest expense, net	1,510	1,912	5,569	6,168
Earnings (loss) before income taxes and other items below	(18,079)	10,571	7,821	31,196
Income taxes	(7,894)	3,667	1,171	11,250
Equity in net loss of affiliated companies	250	-	654	60
Minority interest	-	(698)	-	(672)
Net earnings (loss)	$ (10,435)	$ 7,602	$ 5,996	$ 20,558
Earnings (loss) per share	$(0.37)	$ 0.27	$0.21	$0.74
Weighted average number of common shares and common share equivalents outstanding	28,545,000	28,053,000	28,499,000	27,910,000
Cash dividends per common share	$0.050	$ 0.045	$0.140	$0.125

See accompanying notes to consolidated financial statements.

APOGEE ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED NOVEMBER 29, 1997 AND NOVEMBER 30, 1996
(Thousands of Dollars)

	1997	1996
OPERATING ACTIVITIES		
Net earnings	$ 5,996	$ 20,558
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	18,394	17,395
Provision benefit for losses on accounts receivable	(282)	1,492
Deferred income taxes	(8,463)	486
Provision for restructuring and and other unusual items	26,030	-
Foreign currency translation loss	4,097	-
Minority interest	-	(672)
Equity in net loss of affiliated companies	654	60
Other, net	1,036	1,071
Changes in operating assets and liabilities, net of effect of acquisitions		
Receivables	4,761	(36,936)
Inventories	(7,544)	(4,563)
Costs and earnings in excess of billings on uncompleted contracts	6,017	3,204
Other current assets	2,314	(356)
Accounts payable and accrued expenses (1)	(10,994)	28,615
Billings in excess of costs and earnings on uncompleted contracts	(5,579)	23,047
Accrued income taxes	1,754	2,897
Other long-term liabilities	(2,345)	3,830
Net cash provided by operating activities	35,846	60,128
INVESTING ACTIVITIES		
Capital expenditures	(27,998)	(22,512)
Acquisition of businesses, net of cash acquired (1)	(537)	(28,969)
Increase in marketable securities	(7,462)	(4,896)
Proceeds from sale of property and equipment	768	1,889
Other, net	(1,186)	(649)
Net cash used in investing activities	(36,415)	(55,137)
FINANCING ACTIVITIES		
Payments on long-term debt	(1,114)	(6,700)
Proceeds from issuance of long-term debt	9,589	-
Repurchase and retirement of common stock	(7,149)	(1,396)
Proceeds from issuance of common stock	4,112	3,380
Dividends paid	(3,876)	(3,555)
Net cash provided by financing activities	1,562	(8,271)
Increase (decrease) in cash and cash equivalents before effect of exchange rate changes on cash	993	(3,280)
Effect of exchange rate changes on cash	(2,049)	-
Decrease in cash and cash equivalents	(1,056)	(3,280)
Cash at beginning of period	4,065	7,389
Cash at end of period	$ 3,009	$ 4,109

(1) In 1996, the estimated cost of the Marcon and Viratec acquisition, subsequently determined in January 1997, was included in investing activities and was offset by an increase in accrued expenses in operating activities.

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 29, 1997 and March 1, 1997, and the results of operations for the three months and nine months ended November 29, 1997 and November 30, 1996 and cash flows for the nine months ended November 29, 1997 and November 30, 1996.

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 results of operations for the nine-month period ended November 29, 1997 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 29, 1997	March 1, 1997
Raw materials and supplies	$16,998	$14,760
In process	4,233	3,863
Finished goods	44,686	39,638
	$65,917	$58,261

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

SALES AND EARNINGS

For the third quarter ended November 29, 1997, Apogee reported a net loss of $10.4 million, or 37 cents per share, compared with net earnings of $7.6 million, or 27 cents per share, which reflects the Company's 2:1 stock split effective February 14, 1997. The Company's third quarter results included a nonrecurring after-tax charge of $16.0 million, or 56 cents per share, related to the Building Products & Services segment's curtainwall operations. Excluding that charge, Apogee had net earnings of $5.6 million, or 20 cents per share. Sales for the period rose 10% to $250.9 million, up from $228.8 million a year ago.

For the nine-month period ended November 29, 1997, Apogee's net earnings were $6.0 million, or 21 cents per share, compared with $20.6 million, or 74 cents per share, reported a year ago. Year-to-date net sales rose by 5% to $748.8 million.

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

	Three Months Ended			Nine Months Ended		
	Nov. 29, 1997	Nov. 30, 1996	% Chg	Nov. 29, 1997	Nov. 30, 1996	% Chg
NET SALES						
Glass technologies	$ 61,431	$ 50,133	23	$ 171,481	$ 143,876	19
Auto glass	83,971	73,553	14	271,524	236,400	15
Building products & services	109,012	107,347	2	314,198	338,549	(7)
Eliminations	(3,468)	(2,252)	54	(8,403)	(8,282)	1
Total	$ 250,946	$ 228,781	10	$ 748,800	$ 710,543	5
OPERATING INCOME (LOSS)						
Glass technologies	$ 8,228	$ 6,535	26	$ 21,412	$ 14,462	48
Auto glass	2,953	3,891	(24)	20,715	18,865	10
Building products & services	(27,473)	677	NM	(28,113)	3,363	NM
Corporate and other	(277)	1,380	NM	(624)	674	NM
Total	$ (16,569)	$ 12,483	NM	$ 13,390	$ 37,364	(64)

Glass Technologies (GT)

GT reported strong sales and earnings growth when compared to the same period a year ago. Operating income rose 26% as sales increased 23%. Most of the improvement came from Viracon, the segment's high-performance architectural glass fabricator, which continued to experience strong product demand and improved product mix. Tru Vue, the segment's custom picture framing glass unit, also reported higher revenues and solid earnings, bolstered by sales in advance of the retail holiday season.

Viratec Thin Films (Viratec) reported mixed results. Viratec continued to operate its coating of curved glass surfaces cathodes ray tubes (CaRT) business at a modest profit. As reported earlier, this operation will need to significantly improve order levels in order to achieve adequate returns. During the quarter, the unit added 50 percent additional capacity to its CaRT line. Viratec's overall operating earnings failed to match those of the first half of the year primarily due to reduced operating income in its flat glass coating operation, which experienced production downtime due to ongoing capacity expansion. By quarter-end, the coater had returned to productive operation with additional capacity.

Based on its backlog and strong demand for its products, GT currently anticipates year-over-year sales and earnings growth in the fourth quarter of fiscal 1998.

Auto Glass (AG)
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Sales for AG rose $10.4 million to $84.0 million, with about half of the sales growth due to the fourth quarter fiscal 1997 acquisition of Portland Glass. The segment's revenue growth continued to outpace the industry. Market data indicated that unit demand for replacement auto glass in the U.S. fell significantly year over year. Margin pressures intensified during the period, particularly at the retail level. These pressures combined with higher selling and administrative costs produced a 24 percent decline in operating income to $3.0 million. Earnings results for the segment's distribution and fabrication businesses were flat with a year ago. At November 29, 1997, the segment had 327 retail in 40 states.

The fourth quarter is the segment's seasonally weakest period and, if industry trends do not improve the segment could lose $1.0 million or more in that quarter. Meanwhile, the segment is taking action to reduce its cost structure, particularly in its retail operations.

Building Products & Services (BPS)
- ---------------------------------

BPS reported a $27.5 million operating loss for the third quarter of fiscal 1998 compared with operating income of $0.7 million in the same period a year ago. Segment sales increased 2 percent to $109.0 million. The operating loss was primarily due to a $26.0 million pre-tax provision for restructuring and other unusual items mainly related to the segment's international curtainwall operations. Excluding the charge, international curtainwall operations still posted an operating loss of $5.0 million, mainly due to foreign currency translation losses in Malaysia, where the Company held retainage receivables related to several projects, included the already completed Kuala Lumpur City Centre, and due to additional cost overruns at one project in France. New Construction's domestic curtainwall operations reported a solid operating profit for the quarter, aided by the completion of the Getty Museum project. The Full Service unit continued to produce solid earnings and the Architectural Products group more than doubled its operating income from the prior year, benefiting from higher sales and improved margins.

The $26.0 million pre-tax charge, which was announced by the Company in August 21, 1997 and November 21, 1997 press releases includes amounts for restructuring of BPS's international curtainwall activities and other nonrecurring items associated with the unit's European operations. The restructuring plan involves the closing of the curtainwall unit's Asian offices and the rationalization of its project management, engineering and European manufacturing capacity. The charge for restructuring includes amounts for severance and termination benefits for employees in France, Asia and the U.S., the write-down of property and equipment and other long-term assets to their net realizable values, and for other items such as lease termination costs. The provision also includes amounts for the estimated loss associated with certain disputed construction contracts receivable in Europe, including the accrual of certain penalty amounts, and the accrual of costs associated with the resolution of legal proceedings related to organizational changes in its European curtainwall unit.

The Company believes that overseas operating losses from curtainwall activities will continue to adversely influence earnings comparisons in the near-term, possibly resulting in operating losses in the fourth quarter for BPS. The segment's noncurtainwall business units are currently expected to be profitable.

Backlog
- -------
On November 29, 1997, Apogee's consolidated backlog stood at $292 million, down 19 percent from a year ago and down 18 percent since the beginning of the year. As expected, notable declines were reported for all regions of BPS's curtainwall operations, with the unit's Asian and European backlogs down over 50 percent from a year ago.

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. 29, 1997	Nov. 30, 1996	Nov. 29, 1997	Nov. 30, 1996
Net sales	100.0	100.0	100.0	100.0
Cost of sales	83.3	81.9	81.8	82.4
Gross profit	16.7	18.1	18.2	17.6
Selling, general and administrative expenses	13.0	12.7	13.0	12.4
Provision for restructuring and other unusual items	10.4	-	3.5	-
Operating income (loss)	(6.6)	5.5	1.8	5.3
Interest expense, net	0.6	0.8	0.7	0.9
Earnings (loss) before income taxes and other items below	(7.2)	4.6	1.0	4.4
Income taxes	(3.1)	1.6	0.2	1.6
Equity in net loss of affiliated companies	0.1	-	0.1	-
Minority interest	-	(0.3)	-	(0.1)
Net earnings (loss)	(4.2)	3.3	0.8	2.9
Income tax rate	(43.7)%	34.7%	15.0%	36.1%

During the third quarter, productivity improvements at the Company's manufacturing operations and stronger domestic curtainwall margins were more than offset by poor margins at the Asian and European curtainwall operations. The decline in the most recent period narrowed the gross margin improvement on a year-to-date basis. The nine-month improvement also reflected the productivity improvements at the Company's manufacturing operations and better domestic curtainwall margins. In addition, the change in sales mix away from the lower-margin curtainwall business also contributed to the improvement. The Company's gross margin also benefited from notably lower property/casualty insurance costs.

Selling, general and administrative expenses (SG&A) were flat for the first two quarters of the fiscal year due to Companywide efforts to control such costs. SG&A costs, however, were 10.5% higher than a year ago, reflecting the higher commissions and profit sharing expenses for many of its businesses and increased costs related to information systems upgrades and conversions throughout the Company. Net interest expense fell during the quarter. Increased interest income from investments held by the Company's captive insurance subsidiary and lower interest rates on its revolver and uncommitted credit lines accounted for the slight decline.

The effective income tax rate for the nine-month period fell to 15.0%, mainly reflecting the marginal tax benefit associated with the third quarter charge discussed above. In addition, results in the third quarter, exclusive of the charge on an after-tax basis, benefited from a reduction in the Company's tax rate caused by changes in the domestic and international jurisdictional mix of the Company's operations and lower estimated full-year earnings.

Primarily due to the provision for restructuring and other unusual items and poor operating results from international curtainwall operations, the Company currently expects that it will not achieve fiscal 1997 net earnings.

Liquidity and Capital Resources

Working capital declined for the nine months ended November 29, 1997 primarily due to lower receivables and costs and earnings in excess of billings, which was partially offset by higher inventory levels, and lower accounts payable, accrued expenses and billings in excess of costs and earnings. This reduction in working capital combined with net earnings and noncash charges to provide the Company with $36.8 million in cash from operating activities.

Investing activities consumed $36.4 million through nine months of fiscal 1998. Additions to property, plant and equipment totaled $28.0 million for the first nine months of the fiscal year. Major components of these additions included expenditures for manufacturing facilities expansion and upgrading of information systems throughout the Company. The increase in investments held by the Company's captive insurance subsidiary was $7.5 million.

Borrowing levels rose during the quarter. Total long-term debt, including current installments, totaled $137.8 million. Debt represented 41.2% of invested capital.

Through November 29,1997, the Company has repurchased 448,000 shares of common stock for $7.2 million, while issuing 211,000 common shares under its stock-based incentive plans. During the quarter, the Company raised its quarterly cash dividend 11% to 5.0 cents per share, the 23rd consecutive year of increase.

CAUTIONARY STATEMENTS

A number of factors should be considered in conjunction with 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 factors include, without limitation, changes in economic and market conditions, factors related to competitive pricing, commercial building market conditions, management of growth or restructuring of core business units, expected cost savings from the restructuring cannot be fully realized or realized within the expected timeframe, revenues following the restructuring are lower than expected, costs or difficulties related to the operation of the businesses or execution of the restructuring are greater than expected, the realization of expected economies gained through expansion and information systems technology, the impact of foreign currency markets and other factors set forth in the cautionary statements filed as Exhibit 99 to the Company's Form 10-K. The Company wishes to caution investors and other to review the cautionary statements set forth in Exhibit 99 and that other factors may prove to be important in affecting the Company's business or results of operations. These cautionary statements should be considered in connection with this Form 10-Q, including the forward-looking statements contained in the Management's Discussion and Analysis of the Company's three business segments. These cautionary statements are intended to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995.

PART II

OTHER INFORMATION

ITEM 6. Exhibits and Reports on Form 8-K

(a) Exhibits:

Exhibit 11. Statement of Determination of Common Shares and Common Share Equivalents.

Exhibit 27. Financial Data Schedule (EDGAR filing only).

(b) Registrant filed a Current Report on Form 8-K, dated November 21, 1997, updating information on the Company's third quarter provision for restructuring and other unusual items related to its international curtainwall operations.

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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 13, 1998	Donald W. Goldfus
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		Donald W. Goldfus Chairman of the Board
Date:	January 13, 1998	Terry L. Hall
	----------------	------------------------
		Terry L. Hall Vice President Finance and Chief Financial Officer

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Exhibit 27	Financial Data Schedule (EDGAR filing only)	15

EXHIBIT 11

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 29, 1997	November 30, 1996 (c)	November 29, 1997	November 30, 1996 (c)
Weighted average number of common shares outstanding (a)	27,865,701	27,344,264	27,844,744	27,281,696
Common share equivalents resulting from the assumed exercise of stock options (b)	679,378	709,230	653,791	628,568
Total primary common shares and common share equivalents	28,545,079	28,053,494	28,498,535	27,910,264

(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.

(c) Restated to reflect the stock split, effected in the form of a 100% stock dividend, issued in February 1997.

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