



Apogee Enterprises, Inc. Reports Fourth Quarter Improvement

April 13, 1999

Apogee Meets Its Fiscal 1999 EPS Expectations Management Expects Further Progress in Fiscal 2000

-- Diluted EPS for Q4 was \$0.18 vs. loss of \$2.06 a year ago.

* Apogee's Q4 diluted EPS from continuing operations rose to \$0.08 vs. a loss of \$0.09.

* Company's segment structure modified; results now reported for two segments:

-- Glass Technologies and Glass Services.

* Both segments generated double-digit sales growth and significantly stronger profitability in Q4.

* Glass Technologies' expansion programs continue on track; Statesboro facility begins production.

-- Momentum is building in both business segments for further progress in fiscal 2000.

fourth quarter and 12-month fiscal 1999 and fiscal 1998 comparisons

(Amounts in thousands, except per share data and percentages)

	Forth Quarter Ended Feb. 27, 1999	Forth Quarter Ended Feb. 28, 1998	% Change
Net sales (a)	\$201,343	\$171,643	17%
Net earnings per share - diluted	0.18	(2.06)	N/M
Earnings (loss) from continuing oper.	0.08	(0.09)	N/M
Earnings (loss) from discontinued oper.	0.10	(1.97)	N/M
Avg. shs. outstanding - diluted	27,691	27,646	--%
Operating income (loss)	6,193	(1,924)	N/M
Glass Technologies	6,786	4,619	47%
Glass Services	(225)	(5,956)	N/M
Corporate and other	\$ (368)	\$ (587)	N/M

(a) Net sales were restated to reflect reporting of discontinued operations

	12-Months Ended Feb. 27, 1999	12-Months Ended Feb. 28, 1998	% Change
Net sales (a)	\$792,552	\$731,094	8%
Net earnings per share - diluted	0.91	(1.80)	N/M
Earnings (loss) from continuing oper.	0.71	0.85	(16)%
Earnings (loss) from discontinued oper.	0.20	(2.65)	N/M
Avg. shs. outstanding - diluted	27,762	28,359	-2%

Operating income (loss)	42,143	45,659	(8)%
Glass Technologies	21,691	30,746	(29)%
Glass Services	21,478	16,123	33%
Corporate and other	\$(1,026)	\$(1,210)	N/M

(a) Net sales were restated to reflect reporting of discontinued operations

"We met our earnings goals for fiscal 1999, and our fourth quarter results provide an early glimpse of the growth we expect in Apogee's future. Our business portfolio is now focused and our expansion is on track. Momentum is building in both of our business segments, leading us to expect further growth in fiscal 2000, with expectations of realizing the full potential of our strategic plan in fiscal 2001."

-- Russell Huffer, President and Chief Executive Officer

Apogee Enterprises, Inc. Reports Fourth Quarter Improvement

Apogee Meets Its Fiscal 1999 EPS Expectations Management Expects Further Progress in Fiscal 2000

MINNEAPOLIS, April 13 /PRNewswire/ -- Apogee Enterprises, Inc. (Nasdaq: APOG) today reported substantially stronger results for its fourth quarter and full year ended February 27, 1999 compared to a year ago. Apogee's fourth quarter net earnings improved to \$5.0 million or \$0.18 diluted per share, compared with a net loss of \$57.1 million or \$2.06 diluted per share for the fourth quarter of fiscal 1998.

Apogee's fourth quarter earnings from continuing operations increased to \$2.2 million or \$0.08 diluted per share, compared with a loss of \$2.5 million or \$0.09 diluted per share in the year-ago quarter. The fourth quarter improvement was due to double-digit sales growth and stronger profitability in both of Apogee's business segments. Operating income rose to \$6.2 million compared with a loss of \$1.9 million. In addition, Apogee had fourth quarter earnings from discontinued operations of \$2.8 million or \$0.10 diluted per share compared with a loss of \$54.6 million or \$1.97 diluted per share in last year's fourth quarter. Discontinued operations included domestic and international curtainwall operations, and the Norment detention & security unit.

As announced yesterday with the sale of its domestic curtainwall unit, Apogee no longer has a Building Products & Services business segment and now reports in two segments: Glass Technologies and Glass Services. The Glass Technologies segment includes the same businesses as previously, plus the Wausau Architectural Products Group, which produces windows with glass fabricated by Viracon. Glass Services is a new segment, comprised of Apogee's auto glass businesses and Harmon, Inc., a leading provider of building glass services.

"We met our earnings goals for fiscal 1999, and our fourth quarter results provide an early glimpse of the growth we expect in Apogee's future," said Russell Huffer, Apogee's President and Chief Executive Officer. "Our business portfolio is now focused and our expansion is on track. Momentum is building in both of our business segments, leading us to expect further growth in fiscal 2000, with expectations of realizing the full potential of our strategic plan in fiscal 2001."

Glass Technologies

Glass Technologies results improved substantially from a year ago, with operating income increasing 47% to \$6.8 million on a 13% rise in sales to \$89.2 million. The segment's improvement was driven primarily by strong results at Wausau and increasing volume at Viratec's recently relocated Optium(TM) CRT coating operation. In addition, Viracon gained additional sales during the fourth quarter from capacity improvements in its Owatonna facility. Viracon began full-scale production, as scheduled, on March 1 in its new Statesboro, Ga., facility.

"Glass Technologies is building strong momentum for the new fiscal year," said Huffer. "Our start-ups of Viratec's Optium CRT coating facility and Viracon's Statesboro facility have been exemplary, the new facilities are building volume, and we expect to begin full-scale production during the first fiscal quarter with the expansions at Viratec (new vertical coater) and at Tru Vue. All told, Glass Technologies is now positioned to become Apogee's primary growth driver, and we will begin to see some of that potential build in the year ahead."

Glass Services

As expected, Glass Services reported a fourth quarter operating loss of \$0.2 million. This is a considerable improvement from the operating loss of \$6.0 million in the year-ago quarter. Most of the profit improvement in this seasonally weak quarter was due to a 21% increase in sales. Severe weather in January accelerated the demand for auto glass during the latter part of the quarter and sales of building glass services were strong in the fourth quarter.

"We are pleased with our fourth quarter performance in Glass Services, considering that it is a seasonally weak quarter for auto glass," said Huffer. "Currently, we are very focused on increasing the profitability of our retail auto glass business. This is likely to be a gradual process, but the opportunity is there and the profit potential is substantial. Meanwhile, the rest of our Glass Services businesses are performing very well and we look for further progress in the segment's results in the coming year."

Fiscal 1999 Results

For the fiscal year ended February 27, 1999, Apogee's net earnings were \$25.2 million or \$0.91 diluted per share, compared with a net loss of \$51.1 million or \$1.80 diluted per share for fiscal 1998. Earnings from continuing operations decreased to \$19.7 million or \$0.71 diluted per share, from \$24.1 million or \$0.85 diluted per share in the prior year. Operating income was \$42.1 million compared with \$45.7 million in fiscal 1998, as a 33% increase in Glass Services operating income was more than offset by a 29% decrease in Glass Technologies operating income. For the year, Apogee's sales increased 8% to \$792.6 million, led by a 15% increase in Glass Services. Earnings from discontinued operations were \$5.5 million or \$0.20 diluted per share, compared with a loss of \$75.2 million or \$2.65 diluted per share.

An Encouraging Outlook

"It is very encouraging to see our plans coming to fruition, and the best is yet to come," Huffer commented. "We don't expect to see the full potential of our plans until fiscal 2001, when all of the Glass Technologies expansions are ramped up and capable of strong productivity. This expansion will more than double the total sales potential of Viracon, Viratec and Tru Vue, and that is likely to have a very meaningful impact on Apogee overall."

Huffer continued, "Looking to fiscal 2000, we expect solid sales and profit progress in both business segments. Glass Technologies will become Apogee's driver for earnings growth, led by Viracon, which presently accounts for roughly half of the segment's sales and is in the process of implementing a 60% expansion. Glass Services is also expected to deliver solid growth and profitability, and will benefit from further improvements in asset utilization."

Huffer concluded, "Our business portfolio is now focused and our expansion program is on track. We are moving into position to deliver significantly stronger results in the years ahead."

Financial Condition

At February 27, 1999, long-term debt was \$165.1 million compared with \$152.0 million in the prior year. At fiscal year-end, Apogee's long-term debt to total capital ratio was 55.8% compared to 58.1% in fiscal 1998. Book value was \$4.73 at fiscal year-end compared with \$3.99 a year ago.

Apogee's cash flow increased in fiscal 1999 due to stronger results and a significant reduction in working capital needs. At February 27, 1999, working capital was \$90.1 million, down 17% from last year. At fiscal year-end, working capital was 11.4% of net sales compared with 14.9% in the prior year. Depreciation and amortization totaled \$6.4 million in the fourth quarter, and \$25.9 million in fiscal 1999, compared with fiscal 1998's totals of \$5.3 million in the fourth quarter and \$22.5 million for the full year. Capital expenditures were \$27.7 million in the fourth quarter and \$77.7 million for all of fiscal 1999, mainly due to the planned expansion in Glass Technologies. Huffer said Apogee expects to have total capital expenditures of \$50 million in fiscal 2000, including approximately \$15 million previously planned for fiscal 1999. The remainder of the fiscal 2000 capital expenditures are primarily maintenance-related.

CAUTIONARY STATEMENT

The discussion above contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements reflect management's current expectations or beliefs. The Company cautions readers that actual future results could differ materially from those described in the forward-looking statements depending upon the outcome of certain factors, including the risks and uncertainties identified in Exhibit 99 to the Company's Report on Form 10-K for the fiscal year ended February 28, 1998.

Apogee Enterprises, Inc. is a world leader in technologies involving the design and development of value-added glass products, services and systems. Organized in two business segments, the Glass Technologies businesses are leaders primarily in architectural glass and high-end glass coatings for the electronics markets, while the Glass Services businesses are leaders in replacement auto glass and building glass services. Headquartered in Minneapolis, the company's stock is traded on the Nasdaq

Stock Market under the symbol APOG.

consolidated condensed statement of income		(Unaudited)		
	Thirteen Weeks Ended Feb. 27, 1999	Thirteen Weeks Ended Feb. 28, 1998	% Change	
Net sales	\$201,343	\$171,643	17%	
Cost of goods sold	159,785	141,872	13%	
Gross profit	41,558	29,771	40%	
Selling, general and administrative expenses			12%	
	35,365	31,695		
Operating income (loss)	6,193	(1,924)	N/M	
Interest expense, net	2,381	1,597	49%	
Earnings (loss) from continuing operations before income taxes and other items below	3,812	(3,521)	N/M	
Income taxes	1,372	(1,286)	N/M	
Equity in net loss of affiliates	360	225	60%	
Minority interest	(119)	--	N/M	
Earnings (loss) from continuing operations	2,199	(2,460)	N/M	
Earnings (loss) from discontinued operations			N/M	
	2,752	(54,591)		
Net earnings (loss)	\$ 4,951	\$(57,051)	N/M	
Earnings per share - basic:				
Earnings (loss) from continuing operations	0.08	(0.09)	N/M	
Earnings (loss) from discontinued operations	0.10	(1.97)	N/M	
Net earnings (loss)	\$ 0.18	\$ (2.06)	N/M	
Average common shares outstanding	27,577,531	27,646,463	--%	
Earnings per share - diluted:				
Earnings (loss) from continuing operations	0.08	(0.09)	N/M	
Earnings (loss) from discontinued operations	0.10	(1.97)	N/M	
Net earnings	\$ 0.18	\$ (2.06)	N/M	
Average common and common equivalent shares outstanding	27,691,225	27,646,463	--%	
Cash dividends per common share	\$ 0.0525	\$ 0.050	5%	
	Fifty-two Weeks Ended Feb. 27, 1999	Fifty-two Weeks Ended Feb. 28, 1998	% Change	
Net sales	\$792,552	\$731,094	8%	
Cost of goods sold	622,376	565,955	10%	
Gross profit	170,176	165,139	3%	

Selling, general and administrative expenses	128,033	119,480	7%
Operating income (loss)	42,143	45,659	-8%
Interest expense, net	9,524	6,276	52%
Earnings (loss) from continuing operations before income taxes and other items below	32,619	39,383	-17%
Income taxes	11,743	14,390	-18%
Equity in net loss of affiliates	1,424	879	62%
Minority interest	(235)	--	N/M
Earnings (loss) from continuing operations	19,687	24,114	-18%
Earnings (loss) from discontinued operations	5,546	(75,169)	N/M
Net earnings (loss)	\$25,233	\$(51,055)	N/M

Earnings per share - basic:

Earnings (loss) from continuing operations	0.71	0.87	-19%
Earnings (loss) from discontinued operations	0.20	(2.70)	N/M
Net earnings (loss)	\$ 0.91	\$ (1.84)	N/M
Average common shares outstanding	27,586,118	27,795,173	-1%

Earnings per share - diluted:

Earnings (loss) from continuing operations	0.71	0.85	-16%
Earnings (loss) from discontinued operations	0.20	(2.65)	N/M
Net earnings	\$ 0.91	\$ (1.80)	N/M
Average common and common equivalent shares outstanding	27,762,406	28,358,566	-2%

Cash dividends per common share	\$ 0.205	\$ 0.190	8%
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business segments information

(Unaudited)

Thirteen Weeks Ended Feb. 27, 1999	Thirteen Weeks Ended Feb. 28, 1998	% Change
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Sales

Glass technologies	89,172	79,205	13%
Glass services	112,315	92,668	21%
Eliminations	(144)	(230)	N/M
Total	\$201,343	\$171,643	17%

Operating income (loss)

Glass technologies	6,786	4,619	47%
Glass services	(225)	(5,956)	N/M
Corporate and other	(368)	(587)	N/M
Total	\$ 6,193	\$ (1,924)	N/M

Fifty-two Weeks Ended Feb. 27, 1999	Fifty-two Weeks Ended Feb. 28, 1998	% Change
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Sales

Glass technologies	324,456	324,195	--%
Glass services	468,797	407,985	15%
Eliminations	(701)	(1,086)	N/M
Total	\$792,552	\$731,094	8%

Operating income (loss)

Glass technologies	21,691	30,746	-29%
Glass services	21,478	16,123	33%
Corporate and other	(1,026)	(1,210)	N/M
Total	\$ 42,143	\$ 45,659	-8%

comparison of current reporting with historical reporting for fiscal 1999

(Unaudited)

Current Reporting Reflecting Restatement for Discontinued Operations Fifty-two Weeks Ended Feb. 27, 1999 Fifty-two Weeks Ended Feb. 28, 1998

Net Sales

Glass technologies	324,456	324,195
Glass services	468,797	407,985
Auto Glass	--	--
Building Products	--	--
Eliminations	(701)	(1,086)
Total	\$792,552	\$731,094

Operating income (loss)

Glass technologies	21,691	30,746
Glass services	21,478	16,123
Auto Glass	--	--
Building Products	--	--
Corporate and other	(1,026)	(1,210)
Total	\$ 42,143	\$ 45,659

As Historically Reported Prior to Restatement for Discontinued Operations Fifty-two Weeks Ended Feb. 27, 1999 Fifty-two Weeks Ended Feb. 28, 1998

Net Sales

Glass technologies	220,737	227,203
Glass services	--	--
Auto Glass	385,014	347,191
Building Products	348,719	348,892
Eliminations	(10,544)	(10,455)
Total	\$943,926	\$912,831

Operating income (loss)

Glass technologies	15,302	27,330
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Glass services	--	--
Auto Glass	17,796	15,046
Building Products	19,315	(96,433)
Corporate and other	(1,026)	(1,210)
Total	\$ 51,387	\$ (55,267)

SOURCE Apogee Enterprises, Inc.