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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

For the quarterly period ended November 30, 2002

OR

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

For the transition period from __________ to __________

Commission File Number 0-6365

APOGEE ENTERPRISES, INC.

(Exact Name of Registrant as Specified in Charter)

Minnesota	**41-0919654**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification Number)
7900 Xerxes Avenue South – Suite 1800 **Minneapolis, Minnesota**	**55431**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(952) 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, 2002
Common Stock, $.33 $^1/_3$ Par Value	27,551,681

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PART I

FINANCIAL INFORMATION

Item 1. Financial Statements

APOGEE ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
AS OF NOVEMBER 30, 2002 AND MARCH 2, 2002

(In thousands, except share and per share data)	November 30, 2002 (unaudited)	March 2, 2002
Assets		
Current assets		
Cash and cash equivalents	$ 17,977	$ 15,361
Receivables, net of allowance for doubtful accounts	115,612	115,159
Inventories	34,237	36,022
Deferred tax assets	5,270	4,875
Other current assets	2,293	3,667
Total current assets	175,389	175,084
Property, plant and equipment, net	117,477	128,515
Marketable securities available for sale	6,206	22,825
Investments in affiliated companies	21,278	22,110
Goodwill	55,914	55,614
Identifiable intangible assets, at cost less accumulated amortization of $758 and $5,820, respectively	2,021	1,024
Other assets	2,923	3,944
Total assets	$ 381,208	$ 409,116
Liabilities and Shareholders' Equity		
Current liabilities		
Accounts payable	$ 51,320	$ 51,887
Accrued expenses	50,250	57,766
Current liabilities of discontinued operations, net	3,315	3,740
Billings in excess of costs and earnings on uncompleted contracts	4,348	6,127
Accrued income taxes	7,987	7,079
Current installments of long-term debt	540	640
Total current liabilities	117,760	127,239
Long-term debt, less current installments	48,508	69,098
Other long-term liabilities	25,936	25,867
Liabilities of discontinued operations, net	14,725	15,978
Commitments and contingent liabilities (Note 9)	—	—
Shareholders' equity		
Common stock of $0.33-1/3 par value; authorized 50,000,000 shares; issued and outstanding, 27,552,000 and 28,334,000, respectively	9,184	9,445
Additional paid-in capital	53,066	50,521
Retained earnings	116,430	113,382
Unearned compensation	(2,591)	(1,547)
Accumulated other comprehensive loss	(1,810)	(867)
Total shareholders' equity	174,279	170,934
Total liabilities and shareholders' equity	$ 381,208	$ 409,116

See accompanying notes to consolidated financial statements.

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APOGEE ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED RESULTS OF OPERATIONS
FOR THE THREE MONTHS AND NINE MONTHS ENDED
NOVEMBER 30, 2002 AND DECEMBER 1, 2001
(unaudited)

	Three-months-ended		Nine-months-ended	
(In thousands, except share and per share data)	November 30, 2002	December 1, 2001	November 30, 2002	December 1, 2001
Net sales	$ 199,166	$ 200,293	$ 584,157	$ 614,132
Cost of sales	153,905	154,482	441,148	471,617
Gross profit	45,261	45,811	143,009	142,515
Selling, general and administrative expenses	34,658	35,881	109,340	108,688
Operating income	10,603	9,930	33,669	33,827
Interest expense, net	865	985	2,733	4,094
Other income, net	950	129	992	82
Equity in income (loss) of affiliated companies	270	(605)	(960)	1,760
Earnings from operations before income taxes	10,958	8,469	30,968	31,575
Income taxes	3,397	2,625	9,600	9,788
Net earnings	$ 7,561	$ 5,844	$ 21,368	$ 21,787
Earnings per share—basic	$ 0.28	$ 0.21	$ 0.77	$ 0.78
Earnings per share—diluted	$ 0.27	$ 0.20	$ 0.75	$ 0.76
Weighted average basic shares outstanding	27,255,000	27,978,000	27,685,000	27,869,000
Weighted average diluted shares outstanding	28,002,000	28,960,000	28,576,000	28,723,000
Dividends per common share	$ 0.058	$ 0.055	$ 0.168	$ 0.160

See accompanying notes to consolidated financial statements.

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APOGEE ENTERPRISES, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE NINE MONTHS ENDED
NOVEMBER 30, 2002 AND DECEMBER 1, 2001
(unaudited)

(In thousands)	November 30, 2002	December 1, 2001
Operating Activities		
Net earnings	$ 21,368	$ 21,787
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Depreciation and amortization	17,826	20,221
Deferred income taxes	696	(278)
Results from equity investments	960	(1,760)
(Investments in) dividends received from equity investments	(128)	2,413
Gain on disposal of assets	(2,607)	(760)
Other, net	958	1,217
Changes in operating assets and liabilities, net of effect of acquisitions:		
Receivables	(453)	(3,653)
Inventories	1,785	2,362
Accounts payable and accrued expenses	(7,385)	(7,572)
Billings in excess of costs and earnings on uncompleted contracts	(1,779)	(3,836)
Refundable and accrued income taxes	908	116
Net cash provided by operating activities	32,149	30,257
Investing Activities		
Capital expenditures	(8,805)	(7,200)
Proceeds from sale of property, plant and equipment	3,719	33
Acquisition of businesses, net of cash acquired	(300)	(247)
Purchases of marketable securities	(10,757)	(6,628)
Sales/maturities of marketable securities	26,349	8,593
Net cash provided by (used in) investing activities	10,206	(5,449)
Financing Activities		
Change in net borrowings under revolving credit agreement	(21,200)	(24,200)
Proceeds from issuance of long-term debt	1,000	2,000
Payments on long-term debt	(490)	(2,846)
Payments on debt issue costs	(1,335)	(232)
Proceeds from issuance of common stock	5,140	4,051
Repurchase and retirement of common stock	(16,494)	(284)
Dividends paid	(4,682)	(4,519)
Net cash used in financing activities	(38,061)	(26,030)
Cash (used in) provided by discontinued operations	(1,678)	891
Increase (decrease) in cash and cash equivalents	2,616	(331)
Cash and cash equivalents at beginning of period	15,361	4,689
Cash and cash equivalents at end of period	$ 17,977	$ 4,358
Supplemental schedule of non-cash investing activities:		
Net assets acquired through assumption of debt	—	$ 1,500

See accompanying notes to consolidated financial statements.

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

1. Summary of Significant Accounting Policies

In the opinion of the Company's management, 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 30, 2002 and December 1, 2001, the results of operations for the three months and nine months ended November 30, 2002 and December 1, 2001, and cash flows for the nine months ended November 30, 2002 and December 1, 2001. Certain prior-year amounts have been reclassified to conform to the current period presentation.

The financial statements and notes are presented as permitted by the instructions for 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 March 2, 2002. The results of operations for the three months and nine months ended November 30, 2002 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. New Accounting Standards

In June 2001, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 142, *Goodwill and Other Intangible Assets*. Under SFAS No. 142, amortization of goodwill and indefinite-lived intangible assets has ceased and instead the carrying value of these assets will be evaluated for impairment by applying a fair-value based test on at least an annual basis. This statement also requires a reassessment of the useful lives of identifiable intangible assets other than goodwill.

The Company has adopted SFAS No. 142 effective March 3, 2002 and has discontinued the amortization of goodwill and has determined that it does not have intangible assets with indefinite useful lives. The Company has performed the required impairment testing of goodwill as of March 3, 2002 and has concluded that none of its goodwill was impaired. Fair value was estimated using discounted cash flow methodologies. In addition, the Company reassessed the useful lives of its identifiable intangible assets and determined that the lives were appropriate. The Company will test goodwill of each of its reporting units for impairment annually in connection with its fourth quarter planning process or more frequently if impairment indicators exist.

If the Company had been accounting for its goodwill and intangible assets under SFAS No. 142 for all prior periods presented, the Company's net income and earnings per common share would have been as follows:

(In thousands, except per share data)	Three-Months-Ended Nov. 30, 2002	Three-Months-Ended Dec. 1, 2001	Nine-Months-Ended Nov. 30, 2002	Nine-Months-Ended Dec. 1, 2001
Net income:				
Reported net earnings	$7,561	$5,844	$21,368	$21,787
Add back amortization expense, net of tax	—	322	—	1,002
Adjusted net income	$7,561	$6,166	$21,368	$22,789
Earnings per share—basic				
Reported net earnings	$ 0.28	$ 0.21	$ 0.77	$ 0.78
Impact of amortization expense, net of tax	—	0.01	—	0.03
Adjusted earnings per share—basic	$ 0.28	$ 0.22	$ 0.77	$ 0.81
Earnings per share—diluted				
Reported net earnings	$ 0.27	$ 0.20	$ 0.75	$ 0.76
Impact of amortization expense, net of tax	—	0.01	—	0.03
Adjusted earnings per share—diluted	$ 0.27	$ 0.21	$ 0.75	$ 0.79

In August 2001, FASB issued SFAS No. 144, *Accounting for the Impairment or Disposal of Long-Lived Assets*. This statement addresses financial accounting and reporting for the impairment and disposal of long-lived assets. The Company adopted this standard on March 3, 2002, with no impact to its consolidated financial statements.

In April 2002, the FASB issued SFAS No. 145, *Rescission of SFAS Nos. 4, 44 and 64, Amendment of SFAS No. 13, and Technical Corrections*. The significant items from SFAS 144 that are relevant to the Company are the statements regarding extinguishment of debt and the accounting for sale-leaseback transactions. The provisions of this statement are applicable for fiscal years beginning after, transactions entered into after and financial statements issued on or subsequent to May 15, 2002. The adoption of this statement has not had a significant impact on the Company's consolidated financial statements.

In July 2002, the FASB issued SFAS No. 146, *Accounting for Costs Associated with Exit or Disposal.* This statement addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, *Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (including Certain Costs Incurred in a Restructuring).* The provisions of this statement are effective for exit or disposal activities initiated after December 31, 2002. The Company expects that adoption of this statement will not have a significant impact on the Company's consolidated financial statements.

3. Inventories

(In thousands)	November 30, 2002	March 2, 2002
Raw materials	$ 14,997	$16,235
Work in process	5,423	5,807
Finished goods	8,840	9,351
Cost and earnings in excess of billings on uncompleted contracts	4,977	4,629
Total inventories	$ 34,237	$36,022

4. Equity Method Investments

In July 2000, the Company and PPG Industries, Inc. (PPG) combined their U.S. automotive replacement glass distribution businesses into a joint venture, PPG Auto Glass, LLC (PPG Auto Glass), of which the Company has a 34 percent interest. On November 30, 2002, the Company's investment in PPG Auto Glass was $20.9 million. At November 30, 2002, the excess of the cost of the investment over the value of the underlying net tangible assets when the joint venture was formed was $7.3 million. This excess is reported as goodwill. In connection with the formation of PPG Auto Glass, the Company agreed to supply the joint venture, through PPG, with most of the Company's windshield fabrication capacity on market-based terms and conditions. In addition, the Company's automobile windshield repair and replacement business agreed to purchase at least 75% of its windshield needs from PPG Auto Glass on market-based terms and conditions. Purchases from PPG Auto Glass were $12.3 million and $11.7 million for the third quarter of fiscal 2003 and 2002, respectively. Year-to-date fiscal 2003 and 2002 purchases from PPG Auto Glass were $33.6 million and $37.3 million, respectively. Amounts owed to PPG Auto Glass were $6.6 million and $5.4 million at the end of the third quarter of fiscal 2003 and 2002, respectively.

During the second quarter of fiscal 2002, the Company, PPG and PPG Auto Glass amended the windshield supply agreements to adjust pricing for the windshields manufactured and sold to more accurately reflect market pricing. As a result of these amendments, a portion of earnings that would have previously been reported in equity in income from affiliated companies was reported in operating income in the Auto Glass segment for the current year.

In September 2001, the Company decided to discontinue funding TerraSun, LLC, its research and development joint venture of which the Company had a 50 percent interest. As a result, TerraSun discontinued its operations and sold its tangible assets.

The Company's share of earnings for its affiliated company is before income taxes and, in the third quarter of fiscal 2002, included $0.1 million of amortization of the excess cost over the value of the underlying net tangible assets and expenses retained by the Company.

5. Goodwill and Other Identifiable Intangible Assets

The Company's identifiable intangible assets with finite lives are being amortized over their estimated useful lives and are detailed below.

	November 30, 2002		March 2, 2002	
(In thousands)	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Debt issue costs	$ 1,798	$ 332	$ 2,410	$ 1,487
Other	981	426	4,434	4,333
Total	$ 2,779	$ 758	$ 6,844	$ 5,820

Aggregate amortization expense for the nine months ended November 30, 2002 and December 1, 2001 related to these identifiable intangible assets was $0.3 million and $0.6 million, respectively. At November 30, 2002, future amortization expense of identifiable intangible assets is $0.2 million for the remainder of fiscal 2003, for a total of $0.5 million for the year. Future amortization expense of identifiable intangible assets for fiscal 2004 through fiscal 2006 is $0.5 million and $0.3 million for fiscal 2007. During the third quarter of fiscal 2003, the Company disposed of fully amortized non-compete agreements.

The change in the carrying amount of goodwill, net of accumulated amortization, attributable to each business segment for the nine months ended November 30, 2002 was as follows:

(In thousands)	Architectural	Large-Scale Optical	Auto Glass	Corporate and Other	Total
Balance, March 2, 2002	$ 24,178	$10,307	$12,954	$ 8,175	$55,614
Contingent purchase price payment	—	300	—	—	300
Balance, November 30, 2002	$ 24,178	$10,607	$12,954	$ 8,175	$55,914

The Company has performed the required impairment testing of goodwill as of March 3, 2002 and has concluded that none of its goodwill was impaired. Fair value was estimated using discounted cash flow methodologies. In addition, the Company reassessed the useful lives of its identifiable intangible assets and determined that the lives were appropriate. The Company will test goodwill of each of its reporting units for impairment annually in connection with its fourth quarter planning process or more frequently if impairment indicators exist.

6. Long-Term Debt

In April 2002, the Company entered into a four-year, unsecured, committed credit facility in the amount of $125.0 million. The credit facility requires the Company to maintain minimum levels of net worth and certain financial ratios. The majority of the borrowings under the credit facility are made at a rate equal to three-month LIBOR (London Interbank Offered Rate), or 1.4375% at November 30, 2002, plus an applicable margin. The applicable margin is calculated based upon the Company's financial ratios. At November 30, 2002, the applicable margin was 1.125%. At November 30, 2002, the Company was in compliance with all of the financial covenants of the credit facility.

7. Discontinued Operations

In fiscal 2000, the Company completed the sale of 100% of the stock of its large-scale domestic curtainwall business, Harmon, Ltd. In fiscal 1999, the Company executed the sale of its detention/security business. Combined with the fiscal 1998 exit from international curtainwall operations, these transactions effectively removed the Company from the large-scale construction business. These businesses are presented as discontinued operations in the consolidated financial statements and notes.

At November 30, 2002, accruals totaling $18.0 million ($14.7 million classified as long-term accruals) represented the remaining estimated future cash outflows associated with the exit from discontinued operations. The majority of these cash expenditures are expected to be made within the next two to three years. The primary components of the accrual relate to the remaining exit costs from the international curtainwall operations of the large-scale construction business. These long-term accruals include settlement of the outstanding bonds, of which the precise degree of liability related to these matters will not be known until they are settled within the U.K. and French courts. Additionally, the accruals are established for product liability and legal costs that may be incurred relating to the Company's warranties and possible rework issues on the international and domestic construction projects. The accruals related to these exposures are denominated predominantly in Euros, with approximately 10 percent of this amount hedged.

8. Earnings Per Share

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

(In thousands)	Three-Months-Ended Nov. 30, 2002	Three-Months-Ended Dec. 1, 2001	Nine-Months-Ended Nov. 30, 2002	Nine-Months-Ended Dec. 1, 2001
Basic earnings per share-weighted common shares outstanding	27,255	27,978	27,685	27,869
Weighted common shares assumed upon exercise of stock options	356	671	500	543
Unvested shares held in trust for deferred and other compensation plans	391	311	391	311
Diluted earnings per share-weighted common shares and common shares equivalent outstanding	28,002	28,960	28,576	28,723

9. Commitments and Contingent Liabilities

At November 30, 2002, the Company had ongoing letters of credit related to its risk management programs, construction contracts and certain industrial development bonds. The total value of letters of credit under which the Company is obligated as of November 30, 2002 was approximately $17.3 million, of which $11.4 million is issued and has reduced our total availability of funds under our $125.0 million credit facility.

The Company has entered into a number of noncompete and consulting agreements, associated with former employees. As of November 30, 2002, future payments of $0.3 million were committed under such agreements.

The Company has been a party to various legal proceedings incidental to its normal operating activities. In particular, like others in the construction supply industry, the Company's construction supply businesses are routinely involved in various disputes and claims arising out of construction projects, sometimes involving significant monetary damages or product replacement. Although it is impossible to predict the outcome of such proceedings, facts currently available indicate that no such claims will result in losses that would have a material adverse effect on the financial condition, results of operations or cash flows of the Company.

10. Comprehensive Earnings

(In thousands)	Three-months-ended Nov. 30, 2002	Three-months-ended Dec. 1, 2001	Nine-months-ended Nov. 30, 2002	Nine-months-ended Dec. 1, 2001
Net earnings	$7,561	$5,844	$21,368	$21,787
Transition adjustment related to change in accounting for derivative instruments and hedging activities, net of $672 tax benefit	—	—	—	(1,109)
Unrealized gain (loss) on derivatives, net of $(80), $152, $167 and $351, tax (expense) benefit, respectively	131	(250)	(276)	(578)
Unrealized (loss) gain on marketable securities, net of $403, ($31), $359 and $(164), tax benefit (expense), respectively	(749)	60	(667)	308
Comprehensive earnings	$6,943	$5,654	$20,425	$20,408

11. Segment Information

The following table presents sales and operating income data for our three segments, and consolidated, for three and nine months compared to the corresponding periods a year ago.

(In thousands)	Three-months-ended Nov. 30, 2002	Three-months-ended Dec. 1, 2001	Nine-months-ended Nov. 30, 2002	Nine-months-ended Dec. 1, 2001
Net Sales				
Architectural	$121,901	$124,619	$345,633	$360,904
Auto Glass	55,706	59,597	180,506	201,670
Large-Scale Optical	21,594	16,078	58,054	51,565
Intersegment eliminations	(35)	(1)	(36)	(7)
Net sales	$199,166	$200,293	$584,157	$614,132
Operating Income (Loss)				
Architectural	$ 10,845	$ 9,056	$ 25,680	$ 25,076
Auto Glass	(1,410)	2,616	8,427	12,998
Large-Scale Optical	1,819	(1,469)	1,324	(2,961)
Corporate and other	(651)	(273)	(1,762)	(1,286)
Operating income	$ 10,603	$ 9,930	$ 33,669	$ 33,827

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 March 2, 2002 and the consolidated financial statements, including the notes to consolidated financial statements, included therein.

Sales and Earnings

The relationship between various components of operations, stated as a percent of net sales, is illustrated below for the three and nine months of the current and past fiscal year.

(Percent of Net Sales)	Three-months-ended Nov. 30, 2002	Three-months-ended Dec. 1, 2001	Nine-months-ended Nov. 30, 2002	Nine-months-ended Dec. 1, 2001
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	77.3	77.1	75.5	76.8
Gross profit	22.7	22.9	24.5	23.2
Selling, general and administrative expenses	17.4	17.9	18.7	17.7
Operating income	5.3	5.0	5.8	5.5
Interest expense, net	0.4	0.5	0.5	0.7
Other income (expense), net	0.5	0.1	0.2	0.0
Equity in (loss) income of affiliated companies	0.1	(0.4)	(0.2)	0.3
Earnings from operations before income taxes	5.5	4.2	5.3	5.1
Income taxes	1.7	1.3	1.6	1.6
Net earnings	3.8	2.9	3.7	3.5
Effective tax rate	31.0%	31.0%	31.0%	31.0%

Third Quarter Fiscal 2003 Compared to Third Quarter Fiscal 2002

Consolidated net sales for the third quarter ended November 30, 2002 were $199.2 million, compared to net sales of $200.3 million reported for the prior-year quarter. Net income for the third quarter of fiscal 2003 was $7.6 million, a 29% increase from the prior-year period's net income of $5.8 million. Our operating margin rose to 5.3% in the third quarter from 5.0% in the prior-year period.

On a consolidated basis, cost of sales, as a percentage of net sales, rose to 77.3% for the third quarter of fiscal 2003 from 77.1% for the prior-year quarter. The primary factors underlying the resulting decrease in gross profit percentage were decreased margins due to pricing pressures, the ongoing slowdown in the construction industry and the challenging auto glass market. Fiscal 2003 third quarter results include a $1.5 million accrual for projected worker's compensation exposure for our self-insurance program related to prior-period incidents. These were offset by increased efficiencies in our Architectural Products and Services and Large-Scale Optical segments, which favorably impacted margin by 1.5 percentage points and 1.3 percentage points, respectively.

Selling, general and administrative (SG&A) expenses for the third quarter of fiscal 2003 decreased $1.2 million, or 3% from fiscal 2002, or a .5% reduction as a percent of sales. The decrease in SG&A expenses relates to decreased incentive accruals, a net gain of $0.4 million recorded on sale of assets, as well as decreased data-line expenses. These decreases in SG&A expenses were partially offset by increased sales and marketing expenses in the glass installation business, primarily for geographic expansion, renovation initiatives to help building owners improve their properties, and hurricane product development, as well as increased bad debt expense based on current exposure levels.

Net interest expense decreased by 12% to $0.9 million for the third quarter of fiscal 2003 from $1.0 million in the prior-year quarter, reflecting significantly lower borrowing levels and a lower weighted average interest rate under the Company's revolving credit agreement.

Other income reflects the $1.0 million pretax benefit of realized gains on the sale of investments held for our self-insurance program as compared to $0.1 million in the prior year quarter. The increased gains in the current year quarter reflect a significant sale of marketable securities based on the lower interest rate environment resulting in the Company having appreciated marketable debt securities.

Our equity in income from affiliated companies was $0.3 million in the third quarter of fiscal 2003 versus an equity in loss of $0.6 million in the prior-year quarter. This improvement reflects improved operating performance by the PPG Auto Glass wholesale distribution joint venture, despite challenging market conditions.

The effective income tax rate of 31.0% remained constant from fiscal 2002. The annual effective tax rate of 31%, which is 4% below the federal statutory tax rate, is primarily due to the reduction of tax reserves as a result of the expiration of certain statutes of limitations.

In the third quarter of fiscal 2003, we made payments of $0.4 million related to discontinued operations, which caused a decrease in the designated reserves. We continue to believe that we have adequate reserves for the discontinued operations.

In the third quarter of fiscal 2003, we reported earnings of $7.6 million, or $0.27 diluted earnings per share, compared to earnings of $5.8 million, or $0.20 diluted earnings per share, in the third quarter of fiscal 2002.

Segment Analysis

The following table presents sales and operating income data for our three segments and on a consolidated basis for the third quarter, when compared to the corresponding period a year ago.

(In thousands)	Three-months-ended Nov. 30, 2002	Three-months-ended Dec. 1, 2001	% Chg	Nine-months-ended Nov. 30, 2002	Nine-months-ended Dec. 1, 2001	% Chg
Net Sales						
Architectural	$121,901	$124,619	(2)%	$345,633	$360,904	(4)%
Auto Glass	55,706	59,597	(7)	180,506	201,670	(10)
LSO	21,594	16,078	34	58,054	51,565	13
Intersegment eliminations	(35)	(1)	N/M	(36)	(7)	N/M
Net sales	$199,166	$200,293	(1)%	$584,157	$614,132	(5)%
Operating Income (Loss)						
Architectural	$ 10,845	$ 9,056	20%	$ 25,680	$ 25,076	2%
Auto Glass	(1,410)	2,616	N/M	8,427	12,998	(35)
LSO	1,819	(1,469)	N/M	1,324	(2,961)	N/M
Corporate and other	(651)	(273)	(138)	(1,762)	(1,286)	(37)
Operating income	$ 10,603	$ 9,930	7%	$ 33,669	$ 33,827	0%

N/M=Not meaningful

Architectural Products and Services (Architectural)

Fiscal 2003 third quarter revenues for the Company's largest segment, Architectural, declined slightly as the Company continues to outperform the slowed commercial construction market. Revenues decreased 2 percent to $121.9 million, compared to $124.6 million in the prior-year quarter. Fiscal 2003 third quarter operating income, however, grew 20 percent to $10.8 million from $9.1 million a year ago. Operating margin improved to 8.9 percent, from 7.3 percent in last year's third quarter, reflecting the focus on operational improvements and cost reduction initiatives, which include Six Sigma efforts.

The Architectural segment backlog, at November 30, 2002, dropped to $151.3 million, compared to $163.2 million at the end of the second quarter of fiscal 2003, and $191.5 million at the end of the third quarter of fiscal 2002. This is consistent with the continuing economic uncertainty and related slowdown in commercial construction, which are causing delays in project commitments and scheduling for the segment. Improved lead times in the Company's Architectural businesses also contributed to the backlog drop.

Automotive Replacement Glass and Services (Auto Glass)

Auto Glass segment revenues for the third quarter were $55.7 million, down 7 percent from $59.6 million in the prior-year period. The segment reported an operating loss of $1.4 million for the third quarter of fiscal 2003, compared to operating income of $2.6 million in the same period last year as industry conditions continued to be challenging. Although the Company's retail unit volume for the third quarter was slightly above the prior-year period, the business experienced margin erosion due to competitive pricing. The segment's manufacturing business was also negatively impacted, as pricing continued to deteriorate as a result of slow retail demand and import pressures, and by lower than anticipated volume.

Large-Scale Optical Technologies (LSO)

In the third quarter of fiscal 2003, LSO revenues increased 34 percent to $21.6 million, from $16.1 million in the prior-year period, due to continued improvements in key consumer electronics and retail framing markets. The segment reported operating income of $1.8 million in the third quarter of fiscal 2003, versus an operating loss of $1.5 million in the same period last year. Segment earnings were positively impacted by operational improvements, successful new product introductions, continued conversion of value-added picture framing glass and a $0.4 million gain on the sale of equipment.

Consolidated Backlog

At November 30, 2002, Apogee's consolidated backlog was $157.9 million, down 20% from the $196.5 million reported at March 2, 2002. The backlogs of the Architectural segment represented 96% of the Company's consolidated backlog. The decline in consolidated backlog is a direct reflection of the slowdown in domestic commercial construction, particularly of office buildings.

Liquidity and Capital Resources

(In thousands, except percentages)	Nov. 30, 2002	Dec. 1, 2001
Cash provided by operations	$ 32,149	$ 30,257
Capital expenditures	8,805	7,200
Proceeds from dispositions of property	3,719	33
Decrease in net borrowings	20,690	25,046
Debt to total capital	22%	33%

Operating Activities

Net operating activities provided cash of $32.1 million for the nine months ended November 30, 2002, versus $30.3 million in the prior-year period. Cash from operating activities before changes in operating assets and liabilities was $39.1 million and $42.8 million for the third quarter fiscal 2003 and third quarter fiscal 2002, respectively. This reduction is attributable to lower earnings, a reduction in dividends from equity investments and gains on disposal of assets.

Investing Activities

Year-to-date fiscal 2003 investing activities provided cash of $10.2 million as compared to a use of cash of $5.4 million in the same period last year, primarily as a result of sales/maturities of marketable securities and proceeds from the sale of property at the Auto Glass segment. New capital investment through the third quarter of fiscal 2003 totaled $8.8 million, versus $7.2 million in the prior-year period. For fiscal 2003, we have incurred capital expenditures as necessary to maintain existing facilities and for safety initiatives. Fiscal 2003 capital expenditures are expected to be less than $20 million.

Financing Activities

Total borrowings stood at $49.0 million at November 30, 2002, down 30% from the $69.7 million outstanding at March 2, 2002 as we continued to focus on debt reduction. The majority of all of our long-term debt, $39.5 million, consisted of bank borrowings under a syndicated revolving credit facility. The average interest rate was 3.2% through the third quarter fiscal 2003 and 5.4% through the third quarter fiscal 2002. Our debt-to-total-capital ratio continued to improve and was 22% at November 30, 2002, an improvement from 33% at the end of last year's third quarter.

In April 2002, $1.0 million of variable rate industrial bonds were issued and the resulting proceeds were loaned to us to finance a portion of our capital projects in Wausau, WI.

Other Financing Activities

In April 2002, we entered into a new, four-year, unsecured, committed credit facility in the amount of $125.0 million. This credit facility requires us to maintain levels of net worth and certain financial ratios. These ratios include maintaining an interest coverage ratio (EBITDA divided by interest expense) of more than 3.0 and a debt-to-EBITDA ratio of less than 3.0. At November 30, 2002, these ratios were 12.9 and 0.8, respectively. If we are not in compliance with these ratios at the end of any quarter (with respect to interest coverage) or at the end of any day (with respect to debt-to-EBITDA ratio), the lender may terminate the commitment and/or declare any loan then outstanding to be due. This new credit facility replaced the Company's previously existing $125.0 million secured credit facility.

	Future Cash Payments Due by Period		
(In thousands)	Remainder of Fiscal 2003	Fiscal 2004	After Fiscal 2004
Borrowings under Credit Facility	$ —	$ —	$ 39,500
Industrial Revenue Bonds	—	—	8,400
Other Long-Term Debt	150	540	458
Operating Leases (Undiscounted)	3,596	12,870	29,820
Other Obligations	58	189	25
Total Cash Obligations	$ 3,804	$ 13,599	$ 78,203

The industrial revenue bonds in the total above are supported by $8.4 million of letters of credit that reduce our availability of funds under the $125.0 million credit facility. These letters of credit are not reflected in the standby letters of credit below.

	Amount of Commitment Expiration Per Period		
(In thousands)	Remainder of Fiscal 2003	Fiscal 2004	After Fiscal 2004
Standby Letters of Credit	$ 3,734	$ —	$ 5,185

In the ordinary course of business, predominantly in our installation business, we are required to commit to bonds that require payments to our customers for any non-performance. The outstanding face value of the bonds fluctuates with the value of installation projects that are in process and in our backlog. At November 30, 2002, these bonds totaled $124.7 million. We have never been required to pay on these performance-based bonds.

We anticipate that outstanding borrowings will decline over the remainder of the fiscal year. We believe that current cash on hand, cash generated from operating activities, and available funds under our $125.0 million credit facility should be adequate to fund our working capital requirements, planned capital expenditures and other investing activities through fiscal 2003.

During the second quarter of fiscal 2003, the Board of Directors authorized a 500,000 share increase to the company's share repurchase program. The share repurchase program now allows the company to repurchase up to 1,500,000 shares of the company's common stock. During the quarter, we repurchased 217,046 shares under this repurchase program for a total of $2.4 million. The total purchases have amounted to $14.6 million during fiscal 2003. As of the end of this quarter, there were a total of 355,854 shares remaining to be repurchased under the current program.

Outlook

We are expecting overall revenue growth in the mid-single digits for the fourth quarter of fiscal 2003.

— Architectural segment revenues are expected to be flat to slightly above the fiscal 2002 fourth quarter, with growth coming from the glass installation business, offset by soft market conditions for the other businesses.

— Auto Glass segment revenues for the fourth quarter of fiscal 2003 are expected to be flat due to volume increases offset by lower prices and competitive industry conditions.

— Fiscal 2003 fourth quarter LSO segment revenues are expected to show strong double-digit growth over the prior year period from expanded distribution of value-added picture framing glass markets and continued growth of new products introduced for the projection television industry.

Operating margins are expected to be at 5 percent of sales for the fourth quarter of fiscal 2003, as cost savings and operating efficiencies offset higher wage, insurance and healthcare costs, and lower prices.

We expect a loss from equity in affiliated companies for the fourth quarter of fiscal 2003, which is normal for the seasonal wholesale auto glass market served by our auto glass distribution joint venture. The loss, though, is expected to be less than that experienced in the prior-year quarter due to improved performance.

We continue to expect that full-year earnings per share for fiscal 2003 will grow compared to fiscal 2002. The elimination of amortization under the new method of accounting for goodwill is expected to contribute approximately $0.05 of the anticipated full-year earnings improvement.

For fiscal year 2004, we expect continued softness in the markets served by our Architectural segment businesses. External forecasts have indicated that the total non-residential construction market is expected to be down 6 percent for calendar 2002, and calendar 2003 will show no improvement from that level. The outlook for our largest market, office construction, shows a 3 percent decline for calendar 2003. These forecasted market declines will adversely impact our businesses in fiscal 2004, and as a result, we expect Architectural segment revenues to decline slightly in fiscal 2004. To offset these market declines, we are forecasting that Architectural segment businesses will gain market share and expand into other markets, both in terms of geography and movement into markets such as schools, government and quasi-government work.

Automotive replacement glass segment revenues are expected to grow in the low single digits in fiscal 2004 as we recapture retail market share in a continued competitive market. Large-scale optical segment revenues are expected to grow 8 to 10 percent in fiscal 2004, which is at a slower pace than in fiscal 2003, through expanded distribution and expanded penetration in consumer electronics industries with new products.

Due to the uncertainty in our Architectural and Auto Glass segments, we expect flat to slightly lower overall revenues for fiscal 2004. Operating margin percentages for fiscal 2004 are expected to decline slightly as productivity improvements and cost controls offset increases in material costs, insurance and wages. Earnings per share are expected to range from $0.85 to $0.93 for fiscal 2004.

Critical Accounting Policies

No material changes have occurred in the disclosure with respect to our critical accounting policies set forth in our Annual Report on Form 10-K for the fiscal year ended March 2, 2002.

Item 3: Quantitative and Qualitative Disclosures About Market Risk

No material changes have occurred in the disclosure of qualitative and quantitative market risk set forth in our Annual Report on Form 10-K for the fiscal year ended March 2, 2002.

Item 4: Evaluation of Disclosure Controls and Procedures

a) *Evaluation of disclosure controls and procedures.* Our chief executive officer and our chief financial officer have concluded, based on their evaluation within 90 days before the filing date of this quarterly report, that the Company's "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 Rules 13a-14(c) and 15-d-14(c)) are effective to ensure that information required to be disclosed in the reports that we file or submit under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

b) *Changes in internal controls.* There have been no significant changes in our internal controls or in other factors that could significantly affect our disclosure controls and procedures subsequent to the previously-mentioned evaluation.

Cautionary Statement

This discussion contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements reflect the Company's current views with respect to future events and financial performance. The words "believe," "expect," "anticipate," "intend," "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 or beliefs 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, the following factors. There can be no assurances given that Apogee's Architectural segment, which serves high-end construction markets with value-added products, will not be further impacted by the slowed economy and the slowed construction industry. In addition there can be no assurances that Harmon AutoGlass will grow revenues and increase profitability in the soft auto replacement glass market. There can be no assurances that PPG Auto Glass, Apogee's automotive replacement glass distribution joint venture with PPG Industries, will achieve favorable long-term operating results. There also can be no assurances that the LSO segment businesses will continue to increase revenues year over year.

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 Annual Report on Form 10-K, and include, without limitation, cautionary statements regarding changes in economic and market conditions, factors related to competitive pricing, quality, facility utilization, new product introductions, seasonal and cyclical conditions and customer dependency. Also included are other risks related to financial risk, self-insurance, environmental risk and discontinued operations. 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.

PART II

OTHER INFORMATION

ITEM 6. Exhibits and Reports on Form 8-K

a) *Exhibits:*

Exhibit 10.1 – Employment Agreement between Registrant and Joseph T. Deckman effective as of July 16, 2002.

99.1 – Certification of Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

99.2 – Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

b) *Reports on Form 8-K:*

None.

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, 2003	/s/ RUSSELL HUFFER
	Russell Huffer **Chairman, President and Chief Executive Officer**
Date: January 10, 2003	/s/ MICHAEL B. CLAUER
	Michael B. Clauer **Executive Vice President and Chief Financial Officer**

CERTIFICATIONS

I, Russell Huffer, Chairman, President and Chief Executive Officer of Apogee Enterprises, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Apogee Enterprises, Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared,
   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: January 10, 2003

/s/ RUSSELL HUFFER

Russell Huffer
Chairman, President and Chief Executive Officer

CERTIFICATIONS

I, Michael B. Clauer, Executive Vice President and Chief Financial Officer of Apogee Enterprises, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Apogee Enterprises, Inc.;

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared,

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: January 10, 2003

/s/ MICHAEL B. CLAUER

Michael B. Clauer
Executive Vice President and Chief Financial Officer

Exhibit Index

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Exhibit 99.2 – Certification of Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

EMPLOYMENT AGREEMENT

THIS AGREEMENT is entered into effective as of the 16th day of July 2002, by and between Apogee Enterprises, Inc., a Minnesota corporation ("Apogee" or the "Employer"), and Joseph T. Deckman, a Minnesota resident (the "Employee").

WHEREAS, the Employee has heretofore been employed as Executive Vice President of Apogee;

WHEREAS, Apogee wishes to continue to employ the Employee as Executive Vice President of Apogee;

WHEREAS, Apogee also wishes to employ the Employee as President of Harmon Glass Company, a wholly owned subsidiary of Apogee ("Harmon"); and

WHEREAS, the Employee desires to be retained by Apogee as Executive Vice President and desires to be employed by Apogee as President of Harmon and to be assured of reasonable tenure and terms and conditions of employment as set forth herein;

NOW, THEREFORE, in consideration of the promises and the respective undertakings of Apogee and the Employee set forth herein, the parties hereto mutually agree as follows:

1. Employment and Term. Subject to the terms and conditions herein provided, during the term of the Employee's employment pursuant to this Agreement, the Employer hereby agrees to employ the Employee, and the Employee hereby accepts such employment by the Employer, for a term commencing as of the date hereof and continuing until July 17, 2004, unless earlier terminated in accordance with the provisions of paragraph 4 below. Unless earlier terminated in accordance with provisions of paragraph 4 below, the Employee's employment term pursuant to this Agreement will expire as of July 17, 2004, without further obligation of any party. By mutual agreement, however, the Employer and the Employee may elect and agree to continue the employment relationship on an at-will basis following the expiration of this Agreement.

2. Duties and Responsibilities. Apogee hereby agrees to employ the Employee as President of Harmon and to grant the Employee such power and authority normally accorded to that office. Apogee hereby agrees to employ the Employee as Executive Vice President of Apogee, with oversight responsibility for Apogee's AutoGlass business segment, which includes the operation of Harmon. The Employee hereby agrees to perform the job duties of President of Harmon and Executive Vice President of Apogee and such other duties and functions as may be reasonably determined and assigned to him from time-to-time. Subject to the terms and conditions herein provided, during the term of the Employee's employment pursuant to this Agreement, the Employee shall devote his full time and attention during normal business hours first and primarily to the business and affairs of Harmon and secondarily to the oversight of the AutoGlass business segment and Apogee's discontinued curtainwall operations in Europe. The

Employee shall comply with Apogee’s and Harmon’s procedures and policies, including, but not limited to, Apogee’s Code of Business Conduct as amended from time-to-time.

3. Compensation and Employee Benefits.

3.01. Base Salary. As base compensation for all services to be rendered by the Employee under this Agreement during the term of the Employee’s employment pursuant to this Agreement, the Employer shall pay to the Employee an annual base salary of three hundred thirteen thousand three hundred dollars ($313,300.00). The Employee’s annual base salary shall be paid in accordance with the Employer’s normal payroll procedures and policies, as such procedures and policies may be modified from time-to-time, and the Employee shall be eligible for annual salary increases consistent with such procedures and policies.

3.02. Participation in Benefit Plans. During the term of this Agreement, and provided the Employee is employed by the Employer, and except as otherwise provided in this Agreement, the Employee shall be entitled to participate in all employee benefit plans or programs of the Employer to the extent that his position, title, tenure, salary, age, health, and other qualifications make him eligible to participate. The Employer does not guarantee the adoption or continuance of any particular employee benefit plan or program during the term of this Agreement, and the Employee’s participation in any such plan or program shall be subject to the provisions, rules, and regulations applicable thereto.

3.03. Stock Options. During the term of this Agreement, and provided the Employee is employed by Apogee and that Russell Huffer is the Chairman or the Chief Executive Officer of Apogee, Mr. Huffer will annually recommend to the Compensation Committee of the Board of Directors of Apogee (the “Compensation Committee”) that the Employee be granted a stock option to purchase a number of shares of Apogee Common Stock comparable to the number of shares for which other Executive Vice Presidents of Apogee are being recommended. Such options will have exercise prices equal to the fair market value of such stock as defined in the Apogee Enterprises, Inc. 2002 Omnibus Stock Incentive Plan, or such other applicable plan as may be in effect from time-to-time (the “Stock Incentive Plan”) at the time of each grant. Each grant provided for in this Section 3.03 will be subject to the terms and conditions of a stock option agreement and the terms of the Stock Incentive Plan.

3.04. Partnership Plan. During the term of this Agreement, and provided the Employee is employed by Apogee and that Russell Huffer is the Chairman or the Chief Executive Officer of Apogee, Mr. Huffer will annually recommend to the Compensation Committee that the Employee remain a participant in the Amended and Restated 1987 Apogee Enterprises, Inc. Partnership Plan (as amended to date, the “Partnership Plan”).

3.05. Supplemental Executive Retirement Plan. During the term of this Agreement, and provided the Employee is employed by Apogee and that Russell Huffer is the Chairman or the Chief Executive Officer of Apogee, Mr. Huffer will annually recommend to the Compensation Committee that the Employee remain a participant in the Apogee Enterprises, Inc. Supplemental Executive Retirement Plan (the “SERP”).

3.06. Severance Agreement. During the term of this Agreement, and provided the Employee is employed by Apogee and that Russell Huffer is the Chairman or the Chief Executive Officer of Apogee, Mr. Huffer will recommend to Apogee's Board of Directors that the Severance Agreement made as of January 29, 1999, and, as subsequently amended (the "Severance Agreement"), between Apogee and the Employee not be terminated pursuant to the provisions of Section 1 of the Severance Agreement. All other provisions of the Severance Agreement are unaffected by the provisions of this Agreement.

3.07. Apogee Executive Incentive Plan Bonus for Fiscal Year 2003. The financial portion of the Employee's fiscal year 2003 bonus pursuant to the Apogee Executive Incentive Plan shall be calculated based solely on Apogee's consolidated results of operations for fiscal year 2003. The non-financial portion of the Employee's fiscal year 2003 bonus pursuant to the Apogee Corporate Profit Incentive Plan shall be determined solely based upon achievement of goals related to Apogee's AutoGlass business segment, as agreed between Apogee and the Employee. In all respects, the Employee's rights and obligations with respect to the Employee's fiscal year 2003 bonus shall be determined in accordance with the terms and conditions of the Apogee Executive Incentive Plan as may be in effect from time-to-time.

3.08. Bonus for Fiscal Year 2003 for Managing Discontinued Operations. The Employee shall be eligible for a special bonus for fiscal year 2003 for his oversight of Apogee's discontinued curtainwall operations in Europe as previously agreed between Apogee and the Employee. In all respects, the Employee's rights and obligations with respect to the special bonus for fiscal year 2003 for his oversight of Apogee's discontinued curtain-wall operations in Europe shall be determined in accordance with the terms and conditions of the Apogee Executive Incentive Plan as may be in effect from time-to-time.

3.09. Apogee Executive Incentive Plan Bonus for Fiscal Years 2004 and 2005. The Employee's fiscal year 2004 bonus and fiscal year 2005 bonus pursuant to the Apogee Executive Incentive Plan shall be calculated using the same percentage target and maximum as are utilized for other Apogee Executive Vice Presidents, and the financial and non-financial parameters thereof will be determined consistent with the manner in which such bonus parameters are determined for other Apogee business unit Presidents. In all respects, the Employee's rights and obligations with respect to the Employee's fiscal year 2004 and fiscal year 2005 bonus shall be determined in accordance with the terms and conditions of the Apogee Executive Incentive Plan as may be in effect from time-to-time.

3.10. Bonus for Fiscal Year 2004 for Managing Discontinued Operations. No later than April 30, 2003, the Compensation Committee, in consultation with Apogee's Chief Executive Officer, will determine whether the Employee shall be eligible for a special bonus for fiscal year 2004 for his oversight of Apogee's discontinued curtainwall operations in Europe based upon the level of unresolved matters in France as of the end of fiscal year 2003. In all respects, the Employee's rights and obligations with respect to any special bonus for fiscal year 2004 for his oversight of Apogee's discontinued curtain-wall operations in Europe shall be determined in accordance with the terms and conditions of the Apogee Executive Incentive Plan as may be in effect from time-to-time.

3.11. Tax Withholding. The Employer may withhold from any compensation or benefits payable to the Employee under this Agreement all federal, state, city, or other taxes as shall be required pursuant to applicable laws and/or regulations.

4. Early Termination.

4.01. Termination for Cause. The Employer may terminate the Employee's employment under this Agreement for "Cause," as hereinafter defined, without notice and without further obligation of any kind to the Employee under any provision of this Agreement, except for the Employee's base salary and other benefits earned prior to such termination. All rights and benefits, if any, under any employee benefit plans of the Employer applicable to the Employee shall be determined and provided only in accordance with the express written terms and conditions of such employee benefit plans. For purposes of this Agreement, "Cause" shall mean:

(a) Any fraud, misappropriation, or embezzlement by the Employee in connection with the business of the Employer, or any of its related companies;

(b) Any conviction of or nolo contendere plea to a felony by the Employee that has or can reasonably be expected to have a demonstrably and materially detrimental effect on the Employer, or any of its related companies;

(c) Any conviction of or nolo contendere plea to a gross misdemeanor by the Employee that has or can reasonably be expected to have a demonstrably and materially detrimental effect on the Employer, or any of its related companies;

(d) Any gross neglect or willful and persistent neglect by the Employee substantially to perform the duties assigned to him hereunder and which results, in either case, in material harm to the Employer, provided that the Employee shall first have received a written notice from the Employer which sets forth in reasonable detail the manner in which the Employee has grossly or willfully and persistently neglected his duties and the Employee shall have a period of thirty (30) days to cure the same so long as the Employee is diligently seeking to cure the same, but the Employer shall not be required to give written notice of, nor shall the Employee have a period to cure, the same gross neglect or willful and persistent neglect of which the Employer has previously given written notice to the Employee hereunder and which the Employee has previously cured;

(e) Any material failure by the Employee to comply with Apogee's and Harmon's procedures and policies, including, but not limited to, Apogee's Code of Business Conduct as amended from time-to-time, provided that any failure to comply with Apogee's Insider Trading Policy shall be deemed "material" for purposes of this Section 4.01(e);

(f) The Employee's breach of any contractual obligation owed to the Employer under the terms of this Agreement or any other agreement between the Employee and the Employer provided the Employee shall first have received a written notice from the Employer which sets forth in reasonable detail the manner in which the Employee has breached a contractual obligation owed to the Employer and the Employee shall have a period of thirty (30) days to cure the same so long as the Employee is diligently seeking to cure the same, but the Employer shall not be required to give written notice of, nor shall the Employee have a period to cure the same contractual breach which the Employer has previously given written notice to the Employee hereunder and which the Employee has previously cured; or

(g) The willful engaging by the Employee in conduct that is demonstrably and materially injurious to the financial condition or business reputation of the Employer.

4.02. Death or Disability. The term of the Employee's employment under this Agreement shall automatically terminate in the event of the Employee's death. In the event the Employee becomes mentally or physically disabled during the term of employment under this Agreement, his employment under this Agreement shall terminate as of the date such disability is established. For purposes of this Agreement, "disabled" means suffering from any mental or physical condition, other than the use of alcohol or illegal use of narcotics, which results in the Employee's inability to perform the essential functions of the Employee's positions under this Agreement, with or without reasonable accommodations, provided the Employee has exhausted the Employee's entitlement to any applicable leave.

In the event the Employee's employment under this Agreement is terminated due to the Employee's death or disability, no further payments or benefits shall be required to be paid or provided by the Employer to the Employee under any provision of this Agreement, except for the Employee's base salary and other benefits earned prior to such termination. All rights and benefits, if any, under any employee benefit plans of the Employer applicable to the Employee shall be determined and provided only in accordance with the express written terms and conditions of such employee benefit plans.

4.03. Voluntary Resignation. The Employee may resign his employment under this Agreement at any time without "Good Reason," as defined in Section 4.05 below. If the Employee voluntarily resigns his employment under this Agreement without Good Reason, no further payments or benefits shall be required to be paid or provided by the Employer to the Employee under any provision of this Agreement, except for the Employee's base salary and other benefits earned prior to such resignation. All rights and benefits, if any, under any employee benefit plans of the Employer applicable to the Employee shall be determined and provided only in accordance with the express written terms and conditions of such employee benefit plans.

4.04. Termination Without Cause. The Employer may terminate the Employee's employment under this Agreement without "Cause," as defined in Section 4.01 above. If the Employer terminates the Employee's employment under this Agreement without Cause, as defined in Section 4.01 above, the Employer shall:

(a) Continue to pay to the Employee his then-current base salary, in accordance with the Employer's normal payroll procedures and policies, as such procedures and policies may be modified from time-to-time, until July 17, 2004;

(b) Pay to the Employee an amount equal to fifty-two (52) weeks of the Employee's then-current base salary in one (1) lump sum within thirty (30) days of the effective date of the termination of the Employee's employment under this Agreement;

(c) Provided the Employee, in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended ("COBRA"), timely elects to continue group medical and dental insurance for himself and his dependants, the Employer shall pay the cost of such insurance directly to the applicable insurance carrier(s) for a period of twelve (12) months following the effective date of the termination of the Employee's employment under this Agreement. If, however, the Employee obtains employment with another employer at any time during the initial twelve (12) month period following the effective date of the termination of his employment under this Agreement and provided the Employee becomes eligible for group medical and dental insurance for himself and his dependants, the Employer's obligation hereunder to make payments for any and all such continuation coverage shall cease. After the initial twelve (12) month period following the effective date of the termination of the Employee's employment under this Agreement, and for the remaining period of time provided by COBRA, the Employee shall be responsible for full payment of the cost to continue medical and dental insurance for himself and his dependants;

(d) The Employer shall provide the Employee with outplacement assistance through a provider to be mutually agreed upon by the Employer and the Employee. The maximum amount the Employer shall pay for outplacement assistance is ten thousand dollars ($10,000.00), and any and all payments for outplacement assistance shall be made by the Employer directly to the provider following the Employer's receipt of appropriate documentation; and

(e) To the extent not previously provided to the Employee, the Employer shall be subject to the same obligations (and rights) as set forth in Sections 5.02(a) through (c) hereof. For purposes of this Section 4.04(e) only, "Commencement Date", as used in Sections 5.02(a) and (c), shall mean the effective date of the Employee's termination without Cause.

4.05. Resignation for Good Reason. The Employee may resign his employment with the Employer for Good Reason. For purposes of this Agreement, "Good Reason" shall mean that the Employer, without the Employee's express written consent:

(a) Materially adversely changes the Employee's status such that he is no longer treated as an executive employee of the Employer in all material respects;

(b) Materially reduces the benefits provided to the Employee in the aggregate under all benefit plans and/or programs of the Employer in which he is currently participating, other than any reductions that would effect all employees similarly situated in a non-discriminatory manner;

(c) Requires the Employee to relocate his principal corporate office more than fifty (50) miles outside the greater metropolitan Twin Cities area; or

(d) Materially breaches its obligations under this Agreement, provided that the Employer shall have first received written notice from the Employee which sets forth in reasonable detail the manner in which the Employer has materially breached this Agreement, and the Employer shall have a period of thirty (30) days to cure the same so long as the Employer is diligently seeking to cure the same.

If the Employee resigns his employment with the Employer for Good Reason, the Employer shall be subject to the same obligations (and rights) as set forth in Sections 4.04(a) through (e) hereof. For purposes of this Section 4.05 only, "Commencement Date", as used in Section 5.02(a) and (c), shall mean the effective date of the Employee's resignation for Good Reason.

5. Arrangements Following the Commencement Date.

5.01. Termination of the Obligations of the Original Parties to this Agreement. Effective as of the Commencement Date (as defined below), the Employee's employment with Apogee will automatically terminate and, other than as set forth in Section 5.02 below, no original party hereto will have any further obligations to any other original party hereto. Any such termination of the Employee's employment with Apogee shall not be deemed a termination without Cause, and Apogee shall not be subject to the obligations set forth in Sections 4.04(a) through (e) hereof. Effective as of the Commencement Date (as defined below), the Employee consents to the assignment of this Agreement to the entity or business operating the business subject to the Triggering Event (as defined below), and, effective as of the Commencement Date (as defined below), the Employee further consents to become an employee of the entity or business operating the business subject to the Triggering Event (as defined below).

5.02. Payments and Benefits the Employee Shall Be Entitled to Receive. If, during the term of this Agreement, Apogee and a third party (the "Corporate Partner") enter into a definitive agreement or agreements which would result in a "Triggering Event" (as defined below), and the Employee remains employed by Apogee through the effective date of the Triggering Event (the "Commencement Date"), then the Employee shall be entitled to receive the following payments and benefits:

(a) All options to purchase Apogee Common Stock granted to the Employee under any Apogee Stock Option Agreement prior to the Commencement Date shall be treated as follows:

(i) options that have vested by their terms prior to such date shall be governed by the terms of the applicable Option Agreement; and

(ii) options that have not vested by their terms prior to such date shall terminate on such date, and the Employee shall be paid in cash, in one (1) lump sum payable within thirty (30) days after the Commencement Date, an amount equal to the difference between the Formula Price (as defined below) as of the Commencement Date and the weighted average exercise price for all shares subject to such options, multiplied by the number of such shares, less any income or other tax withholdings required to be made by Apogee in connection with such payment;

(b) The "Pool A" shares allocated to the Employee under the Partnership Plan are all vested by their terms and shall be governed by the terms of the Partnership Plan;

(c) The “Pool B” shares allocated to the Employee under the Partnership Plan shall be treated as follows;

(i) “Pool B” shares that have vested by their terms prior to such date shall be governed by the terms of the applicable Restricted Stock Agreement and the Partnership Plan; and

(ii) “Pool B” shares that have not vested by their terms prior to such date shall be deemed forfeited on such date under the terms of the Partnership Plan, and the Employee shall be paid in cash, in one (1) lump sum payable within thirty (30) days after the Commencement Date, an amount equal to the net present value of the aggregate of (x) the Formula Price as of the Commencement Date, discounted from the date on which each such Pool B share would have vested (the “Foregone Vesting Date”) in accordance with standard financial practice using the Discount Rate (as defined below), multiplied by (y) the number of such “Pool B” shares so discounted on each such Foregone Vesting Date, less any income or other tax withholdings required to be made by Apogee in connection with such payment;

(d) In all respects, the Employee’s rights and obligations with respect to the SERP shall be determined in accordance with the terms and conditions of the SERP then in effect;

(e) In all respects, the Employee’s rights and obligations with respect to Apogee’s Restoration Plan (the “Restoration Plan”) shall be determined in accordance with the terms and conditions of the Restoration Plan then in effect;

(f) A pro-rated portion of any bonuses based on operations of Apogee the Employee would have received had he remained employed with Apogee throughout the fiscal year in which a Triggering Event occurs, based upon the number of days the Employee was employed by Apogee during the applicable fiscal year and assuming the same levels of performance by the Employee and the Apogee businesses on which his bonuses are based throughout the fiscal year; and

(g) If, as of the Commencement Date, the Employee does not become an employee of the entity or business operating the business subject to the Triggering Event, the Employee shall be entitled to receive the payments and benefits set forth in Sections 4.04(a) through (d) hereof.

As used in this Agreement, “Triggering Event” shall mean the consummation of any sale, exchange, or transfer of all, or substantially all, of the assets and business constituting the AutoGlass business segment of Apogee, as currently constituted (*i.e.*, the automobile windshield manufacturing business of Apogee’s wholly owned subsidiary, Viracon/Curvlite, Inc., Apogee’s thirty four percent (34%) equity interest in the automobile windshield distribution business of PPG AutoGlass LLC, and the automobile windshield repair and replacement business of Apogee’s wholly owned subsidiary, Harmon Glass Company).

As used in this Agreement, “Formula Price” shall mean the average closing price of one share of Apogee Common Stock, as reported on the Nasdaq National Market for the twenty (20) business days immediately preceding the effective date of the termination of the Employee’s employment under this Agreement.

As used in this Agreement, “Discount Rate” shall equal one hundred and twenty percent (120%) of the applicable Federal rate (determined under section 1274(d) of the Internal Revenue Code, as amended), computed semi-annually.

5.03. Condition to Closing of the Triggering Event. Apogee agrees that it shall be a condition to the closing of the Triggering Event that the Corporate Partner (or other appropriate entity operating the business subject to the Triggering Event) covenant to assume all of the remaining rights and obligations of Apogee under this Agreement through the term of this Agreement, effective as of the Commencement Date, for the benefit of the Employee. The Employee further agrees that, upon such assumption by the Corporate Partner (or such other appropriate entity), the obligations of Apogee under this Agreement (except for the Employee’s base salary and other benefits earned prior to the Commencement Date) shall immediately cease and be of no further force or effect.

6. Assignments. This Agreement shall be binding upon and inure to the benefit of the Employer and its successors (by purchase, merger, consolidation or otherwise) and assigns. This Agreement shall also be binding upon and inure to the benefit of the Employee and his heirs and representatives. The Employee may not assign this Agreement or any rights hereunder. Any purported or attempted assignment or transfer by the Employee of this Agreement or any of the Employee’s duties, responsibilities, or obligations hereunder shall be void.

7. Governing Law; Choice of Forum. The validity, interpretation, construction, performance, enforcement, and remedies of or relating to this Agreement, and the rights and obligations of the parties hereunder, shall be governed by the substantive law of the State of Minnesota (without regard to the conflict of laws, rules, or statutes of any jurisdiction) and, any and every other legal proceeding arising out of or in connection with this Agreement shall be brought in the appropriate courts of the State of Minnesota, each of the parties hereby consenting to the exclusive jurisdiction of said courts for this purpose.

8. Construction. Whenever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law. To the extent that any provision of this Agreement shall be determined to be invalid or unenforceable, the invalid or unenforceable portion of such provision shall be deleted from the Agreement, and the validity and enforceability of the remainder of such provision and of this Agreement shall be unaffected.

9. Jointly Drafted. The parties and their respective counsel have participated jointly in the negotiation and drafting of this Agreement. In the event that an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.

10. Attorneys' Fees. Apogee shall reimburse the Employee for reasonable attorneys' fees actually incurred by him for legal counsel in connection with the negotiation of this Agreement in an amount not to exceed ten thousand dollars ($10,000.00) upon submission of appropriate documentation.

11. Entire Agreement. This Agreement sets forth the entire agreement between the Employer and the Employee with respect to his employment, and there are no undertakings, covenants, or commitments other than as set forth herein; provided that this Agreement shall not supercede or limit in any way the parties' rights under the Severance Agreement or any benefit plan, program, or arrangements in accordance with their terms, except as otherwise set forth herein. This Agreement may not be altered or amended, except by a writing executed by the party against whom such alteration or amendment is to be enforced. This Agreement supersedes any and all prior understandings or agreements between the parties.

12. Waivers. No failure on the part of any party to exercise, and no delay in exercising, any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any right or remedy hereunder preclude any other or further exercise thereof, or the exercise of any other right or remedy granted hereby or by any related document or by law.

13. Captions and Headings. The captions and paragraph headings used in this Agreement are for convenience of reference only, and shall not affect the construction or interpretation of this Agreement or any of the provisions hereof.

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be executed as of the day and year first written above.

Dated: October 23, 2002

/s/ JOSEPH T. DECKMAN

Joseph T. Deckman

Dated: October 21, 2002

APOGEE ENTERPRISES, INC.

By: Russell Huffer

Its Chief Executive Officer and President

Exhibit 99.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Apogee Enterprises, Inc. (the "Company") on Form 10-Q for the period ending November 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Russell Huffer, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ RUSSELL HUFFER

Russell Huffer
Chairman, President and Chief Executive Officer
January 10, 2003

Exhibit 99.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Apogee Enterprises, Inc. (the "Company") on Form 10-Q for the period ending November 30, 2002 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael B. Clauer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ MICHAEL B. CLAUER

Michael B. Clauer
Executive Vice President and Chief Financial Officer
January 10, 2003