



Second Quarter Balance Sheets and Cash Flows

October 8, 1999

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

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Balance Sheet 5/28/1999

consolidated balance sheets	(Dollar amounts in thousands)	
	August 28, 1999 (Unaudited)	February 27, 1999
Assets		
Current Assets		
Cash and cash equivalents	7,245	1,318
Receivables, net of allowance for doubtful accounts	111,987	118,216
Inventories	69,047	68,171
Deferred tax assets	9,264	11,622
Other current assets	5,340	6,018
Total current assets	\$202,883	\$205,345
Property, plant & equipment, net	199,801	180,428
Other assets		
Marketable securities available for sale	25,901	27,239
Investments	454	570
Intangible assets, at cost less accumulated amortization of \$10,616 and \$9,446, respectively	54,867	55,077
Other	2,420	2,532
Total assets	\$486,326	\$471,191
Shareholders' Liabilities and Equity		
Current liabilities		
Accounts payable	32,712	43,166
Accrued expenses	46,261	51,738
Billings in excess of costs and earnings on uncompleted contracts	13,187	11,622
Accrued income taxes	11,420	7,385
Current installments of long-term debt	756	1,300
Total current liabilities	\$104,336	\$115,211
Long-term debt, less current installments	169,661	165,097
Other long-term liabilities	29,070	27,845
Net liabilities of discontinued operations	36,824	32,374
Shareholders' equity		
Common stock of \$.33-1/3 par value; authorized 50,000,000 shares; issued and outstanding, 27,796,000 and 27,623,000, respectively	9,265	9,208
Additional paid-in capital	44,822	41,903
Retained earnings	93,905	80,194
Unearned compensation	(1,317)	(721)
Net unrealized (loss) gain on marketable securities	(240)	80
Total shareholders' equity	\$146,435	\$130,664
Total liabilities and shareholders' equity	\$486,326	\$471,191

consolidated statements of cash flows	(Dollar amounts in thousands)	
	(Unaudited)	
	Six Months Ended August 28, 1999	Six Months Ended August 29, 1998
Operating Activities		
Net earnings	18,611	13,033
Adjustments to reconcile net earnings to net cash provided by operating activities:		
Net earnings from discontinued operations	(9,166)	(1,213)
Depreciation and amortization	16,706	12,995
Provision for losses on accounts receivable	1,170	1,055
Deferred income tax expense	2,648	6,852
Equity in net loss of affiliated companies	1,321	748
Minority interest	(277)	(63)
Net cash flow from (to) discontinued operations	6,173	(4,477)
Other, net	154	133
Cash flow before changes in operating assets and liabilities	\$ 37,340	\$ 29,063
Changes in operating assets and liabilities, net of effect of acquisitions:		
Receivables	5,675	(19,619)
Inventories	(150)	(3,349)
Other current assets	678	1,826
Accounts payable and accrued expenses	(15,929)	5,574
Billings in excess of costs and earnings on uncompleted contracts	1,565	4,905
Refundable income taxes and accrued income taxes	9,421	12,186
Other long-term liabilities	788	265
Net cash provided by operating activities	\$ 39,388	\$ 30,851
INVESTING ACTIVITIES		
Capital expenditures	(34,759)	(31,089)
Acquisition of businesses, net of cash acquired	(1,981)	(3,335)
Purchases of marketable securities	(18,714)	(10,242)
Sales/maturities of marketable securities	19,558	9,838
Investments in and advances to affiliated companies	(1,205)	(575)
Proceeds from sale of property and equipment	53	124
Net cash flow from discontinued operations	2,000	----
Other, net	(250)	32
Net cash used in investing activities	\$ (35,298)	\$ (35,247)
FINANCING ACTIVITIES		
Payments on long-term debt	(1,380)	(840)
Proceeds from issuance of long-term debt	5,400	10,497
Increase in deferred debt expenses	(255)	(2,098)
Proceeds from issuance of common stock	2,763	2,332
Repurchase and retirement of common stock	(1,774)	(830)
Dividends paid	(2,917)	(2,763)
Net cash provided by financing activities	\$ 1,837	\$ 6,298
Increase in cash and cash equivalents	5,927	1,902
Cash and cash equivalents at beginning of period	1,318	7,853
Cash and cash equivalents at end of period	\$ 7,245	\$ 9,755