



## Apogee Enterprises, Inc. Reports First Quarter Results

June 20, 2000

- Q1 diluted EPS was \$0.07 vs. \$0.16 in the year-ago quarter.

-- Glass Technologies: Strong sales growth, but lower operating income overall.

-- Glass Services: Excellent results at Harmon, Inc. were more than offset by weakness at auto glass.

6/20/00 Comparisons for First Quarter

### FIRST QUARTER FISCAL 2001 & FISCAL 2000 COMPARISONS

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

|                                  | First Quarter<br>Ended June 3,<br>2000<br>(14 Weeks) | First Quarter<br>Ended May 29,<br>1999<br>(13 Weeks) | % Change |
|----------------------------------|------------------------------------------------------|------------------------------------------------------|----------|
| Net sales (A)                    | \$237,300                                            | \$209,700                                            | 13%      |
| Net earnings per share - diluted | \$0.07                                               | \$0.16                                               | (56)%    |
| Earnings from continuing oper.   | \$0.07                                               | \$0.17                                               | (59)%    |
| Earnings from discontinued oper. | \$--                                                 | \$(0.01)                                             | N/M      |
| Avg. shs. outstanding - diluted  | 27,757                                               | 27,691                                               | --       |
| Operating income (loss)          | \$6,955                                              | \$10,700                                             | (35)%    |
| Glass Technologies               | \$2,729                                              | \$4,019                                              | (32)%    |
| Glass Services                   | \$5,337                                              | \$7,900                                              | (33)%    |
| Corporate and other              | \$(1,111)                                            | \$(1,700)                                            | 41%      |
| EBITDA (B)                       | \$(1,111)                                            | \$(1,700)                                            | 41%      |

(A) Net sales for fiscal 2000 were restated to reflect the reporting of discontinued operations.

(B) EBITDA: Earnings before interest, taxes, depreciation and amortization; excluding discontinued operations.

*"Our sales growth in the first quarter is encouraging, and with further improvements in productivity, we expect this top-line progress to have a more positive impact on profitability during the second half of our fiscal year. In Glass Technologies, we are moving toward productivity levels where we can soon begin to capitalize on our expansions. While industry conditions continue to*

*be challenging for our auto glass group, last week's announcement of an agreement pending with PPG should improve wholesale distribution's operating efficiency and customer service."*

-- Russell Huffer, Chairman, President and Chief Executive Officer

Apogee Enterprises, Inc. (Nasdaq: APOG - news) today reported net earnings for its first quarter of fiscal 2001 ended June 3, 2000, of \$2.0 million or \$0.07 per diluted share, compared with \$4.6 million or \$0.17 per diluted share for the first quarter of fiscal 2000. While Apogee's first quarter sales increased 13% to \$237.3 million, Apogee's operating income decreased 35% to \$7.0 million.

"Our sales growth in the first quarter is encouraging, and with further improvements in productivity, we expect this top-line progress to have a more positive impact on profitability during the second half of our fiscal year," said Russell Huffer, Apogee's Chairman, President and Chief Executive Officer. "In Glass Technologies, we are moving toward productivity levels where we can soon begin to capitalize on our expansions. While industry conditions continue to be challenging for our auto glass group, last week's announcement of an agreement pending with PPG should improve wholesale distribution's operating efficiency and customer service."

Huffer reiterated that the company continues to expect fiscal 2001 earnings from continuing operations of \$0.25 to \$0.30 per diluted share, with fiscal 2001 EBITDA on a continuing operations basis to approach the \$62.5 million level produced in fiscal 1997.

### **Glass Technologies**

Net sales rose 16% to \$103.0 million in the first quarter. Demand continued strong throughout the segment and production increased considerably. However, operating income decreased 33% to \$2.7 million from last year's first quarter, as continued progress at Linetec, Tru Vue and Wausau Window & Wall Systems was more than offset by lower results at Viracon and disappointing results at Viratec.

"We are now making good progress on most fronts, with Viratec Faribault as our top priority for improvement," Huffer said. "Linetec and Tru Vue are very strong, Wausau is solid, Viratec San Diego continues to be on track, and Viracon continues to make incremental improvement at both Statesboro and Owatonna. Statesboro is on a solid ramp-up, up 20% from the year-ago quarter. Viracon's Owatonna facility continues to improve operating performance and service its demand. While we will continue to monitor improvements in our Viracon operation, our primary concern in the Glass Technologies segment is the on-going operational challenges at Viratec's Faribault operation. Customer demand in this business continues to exceed our ability to deliver."

Huffer concluded, "From a big picture perspective, Glass Technologies is moving forward on a solid track and the second half of our fiscal year looks encouraging."

### **Glass Services**

Glass Services sales increased 12% to \$136.0 million in the first quarter compared with a year ago. Harmon, Inc., the segment's building glass services company, produced strong growth and the auto glass group posted a modest sales increase. The segment's first quarter operating income decreased 33% to \$5.3 million from the year-ago quarter, as excellent results by Harmon, Inc. were more than offset by continuing weakness in auto glass.

"Harmon, Inc. continues to produce strong double-digit growth in sales and profits; however, our auto glass group continues to battle weak industry conditions," Huffer commented. "Auto glass manufacturing and distribution had solid quarters, but retail auto glass remains soft industrywide." He emphasized, "Our recently announced pending agreement with PPG for wholesale distribution is expected to improve its efficiencies and customer service."

### **Financial Condition**

At June 3, 2000, long-term debt was \$152.1 million, compared with \$164.4 million at the end of fiscal 2000. Apogee's long-term debt to total capital ratio at the end of fiscal 2001's first quarter was 48%, compared with 50% in the previous year-end.

Apogee's EBITDA was \$16.7 million during the first quarter of fiscal 2001, compared to \$19.1 million in last year's first quarter; however, it increased compared to \$9.1 million in the fourth quarter of fiscal 2000. Depreciation and amortization were \$9.7 million in the first quarter, compared to \$8.3 million in the year-ago quarter. Working capital was \$78.7 million, down from 99.6 million in last year's first quarter.

Capital expenditures were \$3.6 million in the first quarter, down from \$25.1 million in last year's first quarter. Huffer said fiscal 2001 capital expenditures are expected to be less than half of the fiscal 2000 amount.

## 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. There can be no assurances that the ramp-up of plant capacity in the Glass Technologies businesses will proceed as anticipated, or the operational challenges at Viratec's Flat Glass operation in Fairbault will be resolved in a timely manner and will lead to successful operating results for those companies now or in the future. There can be no assurances that Apogee's proposed automotive replacement glass distribution joint venture with PPG Industries will close or receive necessary regulatory approvals at all or in a timely manner or, if it does, that it will successfully combine the merged businesses or that, once combined, it will achieve favorable short-term or long-term operating results. In addition, in recent years there has been excess capacity at the distribution level of the automotive replacement glass replacement industry and margins have narrowed. There is no assurance the proposed joint venture will be able to improve or maintain margins. Also there can be no assurances given that the reorganization and realignment of Auto Glass' businesses will lead to successful operating results for those companies now or in the future, or that the strategic alternatives proposed for such businesses will be available on terms acceptable to Apogee, or that the retail demand for auto glass replacement will strengthen. 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 26, 2000.

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.

For more information on Apogee Enterprises, Inc. via facsimile at no cost, simply dial 1-800-PRO-INFO and enter the company code ticker APOG.

| CONSOLIDATED CONDENSED<br>STATEMENT OF INCOME                                        | (Unaudited)                             |                                         |          |
|--------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|----------|
|                                                                                      | Fourteen Weeks<br>Ended June 3,<br>2000 | Thirteen Weeks<br>Ended May 29,<br>1999 | % Change |
| Net sales                                                                            | \$237,253                               | \$209,663                               | 13%      |
| Cost of goods sold                                                                   | 189,339                                 | 162,600                                 | 16%      |
| Gross profit                                                                         | 47,914                                  | 47,063                                  | 2%       |
| Selling, general and administrative expenses                                         | 40,959                                  | 36,329                                  | 13%      |
| Provision for restructuring and other unusual items                                  | ---                                     | ---                                     | N/A      |
| Operating income (loss)                                                              | 6,955                                   | 10,734                                  | -35%     |
| Interest expense, net                                                                | 2,783                                   | 2,567                                   | 8%       |
| Other income                                                                         | ---                                     | ---                                     | N/A      |
| Earnings (loss) from continuing operations before income taxes and other items below | 4,172                                   | 8,167                                   | -49%     |
| Income taxes                                                                         | 1,460                                   | 2,940                                   | -50%     |
| Equity in net loss of affiliates                                                     | 692                                     | 440                                     | 57%      |

|                                                    |                |                |             |
|----------------------------------------------------|----------------|----------------|-------------|
| Minority interest                                  | ---            | ---            | N/A         |
| Earnings (loss) from continuing operations         | 2,020          | 4,787          | -58%        |
| Earnings (loss) from discontinued operations       | ---            | (217)          | 100%        |
| Gain (loss) on disposal of discontinued operations | ---            | ---            | N/A         |
| <b>Net earnings (loss)</b>                         | <b>\$2,020</b> | <b>\$4,570</b> | <b>-56%</b> |

Earnings per share - basic:

|                                              |                   |                   |             |
|----------------------------------------------|-------------------|-------------------|-------------|
| Earnings (loss) from continuing operations   | \$0.07            | \$0.17            | -58%        |
| Earnings (loss) from discontinued operations | \$0.00            | (\$0.01)          | 100%        |
| <b>Net earnings (loss)</b>                   | <b>\$0.07</b>     | <b>\$0.17</b>     | <b>-59%</b> |
| <b>Average common shares outstanding</b>     | <b>27,801,040</b> | <b>27,635,067</b> | <b>1%</b>   |

Earnings per share - diluted:

|                                                                |                   |                   |             |
|----------------------------------------------------------------|-------------------|-------------------|-------------|
| Earnings (loss) from continuing operations                     | \$0.07            | \$0.17            | -58%        |
| Earnings (loss) from discontinued operations                   | \$0.00            | (\$0.01)          | 100%        |
| <b>Net earnings (loss)</b>                                     | <b>\$0.07</b>     | <b>\$0.16</b>     | <b>-56%</b> |
| <b>Average common and common equivalent shares outstanding</b> | <b>27,801,040</b> | <b>27,746,893</b> | <b>0%</b>   |

|                                        |                |                |           |
|----------------------------------------|----------------|----------------|-----------|
| <b>Cash dividends per common share</b> | <b>\$0.053</b> | <b>\$0.053</b> | <b>0%</b> |
|----------------------------------------|----------------|----------------|-----------|

**BUSINESS SEGMENTS INFORMATIONS**

(Unaudited)

|                                | Thirteen Weeks<br>Ended June 3,<br>2000 | Thirteen Weeks<br>Ended May 29,<br>1999 | % Change    |
|--------------------------------|-----------------------------------------|-----------------------------------------|-------------|
| <b>Sales</b>                   |                                         |                                         |             |
| Glass technologies             | \$103,034                               | \$88,531                                | 16%         |
| Glass services                 | 135,984                                 | 121,245                                 | 12%         |
| Eliminations                   | (1,765)                                 | (113)                                   | 1462%       |
| <b>Total</b>                   | <b>\$237,253</b>                        | <b>\$209,663</b>                        | <b>13%</b>  |
| <b>Operating income (loss)</b> |                                         |                                         |             |
| Glass technologies             | \$2,729                                 | \$4,019                                 | -32%        |
| Glass services                 | 5,337                                   | 7,941                                   | -33%        |
| Corporate and other            | (1,111)                                 | (1,226)                                 | 9%          |
| <b>Total</b>                   | <b>6,955</b>                            | <b>10,734</b>                           | <b>-35%</b> |