



Apogee Reaffirms and Updates Fiscal 2009 Guidance

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MINNEAPOLIS, Jul 28, 2008 (BUSINESS WIRE) -- Apogee Enterprises, Inc. (Nasdaq:APOG) today reaffirmed its fiscal 2009 earnings guidance and updated its revenue outlook prior to participating in investor meetings in late July and August. Apogee provides distinctive value-added glass solutions for the architectural and picture framing industries.

"For full-year fiscal 2009, Apogee continues to expect earnings from continuing operations of \$1.82 to \$1.94 per share on revenue growth of 13 to 16 percent, up slightly from prior guidance of 12 to 15 percent growth," said Russell Huffer, Apogee chairman and chief executive officer. "In addition, our fiscal 2010 outlook for 8 percent revenue and 20 percent earnings growth remains achievable based on the visibility resulting from our high backlog and commitment levels, as well as ongoing bidding activity, although in a more competitive environment.

"Regarding quarterly timing of earnings for fiscal 2009, we anticipate that second quarter and first half earnings will be lower than Apogee and external expectations, as our architectural glass fabrication business works through internal production challenges carried over from the first quarter which have led to increased costs while we maintain our focus on delivering complete, high-quality product orders on-time to customers," Huffer explained. He added that a small percentage of architectural work has also moved from the second quarter into the second half.

"In addition, earnings reported in equity in affiliates from our joint venture with PPG will be weaker than expected in the normally strong second quarter due to challenging aftermarket windshield market conditions and cost pressures," he said. "With PPG's agreement to sell a majority interest in its automotive glass and services businesses, expected to close in the next few months, we anticipate exercising our option to sell our full interest in this business - this will be the last step in our strategic exit of the auto replacement glass market. When PPG completes the sale of these businesses, Apogee anticipates receiving cash proceeds of approximately \$25 million for its 34 percent interest in PPG Auto Glass.

"We anticipate fiscal 2009 second quarter earnings per share from continuing operations to be approximately equivalent to prior-year period earnings of \$0.41 per share. We anticipate offsetting lower than expected first half earnings with stronger second half performance in both our architectural and large scale optical segments," said Huffer. "Our outlook is for stronger architectural revenues and margins in the second half of fiscal 2009. Our confidence in our ability to increase margins is based on our large backlog, which has a solid mix and margins, along with operational improvements and system enhancements that we anticipate will be implemented by the end of the second quarter. Incremental revenue growth will be primarily from our architectural glass business.

"Our architectural visibility gives us high confidence that we can deliver earnings in the mid to lower end of our guidance range, with the top end of the range achievable with strong operational performance and limited project delays," he said. "We are expecting record years in fiscal 2009 and 2010, as demand for our architectural products and services remains healthy despite a more competitive environment in a market that is experiencing increased uncertainty."

The discussion above, including all statements in the Outlook section, contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements reflect Apogee management's expectations or beliefs as of the date of this release. The company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements are qualified by factors that may affect the operating results of the company, including the following: operational risks within (A) the architectural segment: i) competitive, price-sensitive and changing market conditions, including unforeseen delays in project timing and work flow; ii) economic conditions, material cost increases and the cyclical nature of the North American commercial construction industry; iii) product performance, reliability, execution or quality problems that could delay payments, increase costs, impact orders or lead to litigation; iv) the segment's ability to fully utilize production capacity; and v) ramp up to full production of the third Viracon plant in a timely and cost-efficient manner; and (B) the large-scale optical segment: i) markets that are impacted by consumer confidence and trends; ii) dependence on a relatively small number of customers; iii) changing market conditions, including unfavorable shift in product mix; and iv) ability to utilize manufacturing facilities. Additional factors include: i) revenue and operating results that are volatile; ii) self-insurance risk related to a material product liability event and to health insurance programs; iii) performance of the PPG Auto Glass, LLC joint venture; iv) management of discontinued operations exiting activities; v) cost of compliance with governmental regulations relating to hazardous substances; and vi) foreign currency risk related to certain discontinued operations. The company cautions investors that actual future results could differ materially from those described in the forward-looking statements, and that other factors may in the future prove to be important in affecting the company's results of 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. For a more detailed explanation of the foregoing and other risks and uncertainties, see Item 1A of the company's Annual Report on Form 10-K for the fiscal year ended March 1, 2008.

Apogee Enterprises, Inc., headquartered in Minneapolis, is a leader in technologies involving the design and development of value-added glass products and services. The company is organized in two segments:

-- Architectural products and services companies design, engineer, fabricate, install, maintain and renovate the walls of glass and windows comprising the outside skin of commercial and institutional buildings. Businesses in this segment are: Viracon, the leading fabricator of coated, high-performance architectural glass for global markets; Harmon, Inc., one of the largest U.S. full-service building glass installation, maintenance and renovation companies; Wausau Window and Wall Systems, a manufacturer of custom aluminum window systems and curtainwall; Linetec, a paint and anodizing finisher of window frames and PVC shutters; and Tubelite, a fabricator of aluminum storefront, entrance and curtainwall products.

-- Large-scale optical segment consists of Tru Vue, a value-added glass and acrylic manufacturer for the custom picture framing market and commercial optics.

SOURCE: Apogee Enterprises, Inc.

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