

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE  
SECURITIES EXCHANGE ACT OF 1934

Date of Report: October 30, 2002

APA OPTICS, INC.  
(Exact name of registrant as specified in its charter)

MINNESOTA (State of other jurisdiction of incorporation)	0-16106 (Commission File No.)	41-1347235 (IRS Employer Identification Number)
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2950 NE 84TH LANE, BLAINE, MN (Address of principal executive offices)	55449 (Zip Code)
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Registrant's telephone number, including area code: (763) 784-4995

(Former name, former address and former fiscal year, if changed since last  
report): N/A

ITEM 5. OTHER EVENTS

We reported the results from operations for the quarter ended September 30, 2002 in a press release dated October 29, 2002. A copy of that release is attached as an exhibit to this Current Report on Form 8-K.

ITEM 7. EXHIBITS

Exhibit No.	Description
99.1	Press Release dated October 29, 2002

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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 hereunto duly authorized.

Dated: October 30, 2002                      APA OPTICS, INC.

By /s/ Robert M. Ringstad  
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Robert M. Ringstad, Chief Financial Officer  
(Principal accounting and financial  
officer) and Authorized Signatory

NEWS RELEASE  
[GRAPHIC OMITTED]

APA OPTICS, INC. REPORTS LOSS FOR SECOND QUARTER AND FIRST 6 MONTHS OF FISCAL  
2003

Cash Position Remains Strong with \$29 million On Hand

Minneapolis, MN, October 29, 2002 -- APA Optics, Inc. (Nasdaq: APAT), today reported a net loss of \$1,318,737, or 11 cents a share, for the second quarter of fiscal 2003, ended September 30, 2002, as compared to the loss of \$1,364,499, or 11 cents a share, posted for the second quarter of its 2002 fiscal year. The decreased loss was attributable to reduced operating expenses.

"Our financial results reflect the stalled economy in general, and in fiber optics communications in particular", commented Anil Jain, the president and chief executive officer. "We continue to monitor the fiber optic component marketplace but do not see a rebound in the near future, particularly for long haul applications. We also believe that the market for optical components will be highly competitive and will result in significantly lower prices, due to the entry of a large number of Asian manufacturers. We recently took steps to reduce our workforce, mainly in fiber optic component manufacturing, and lower operating expenses in an effort to preserve cash," said Jain. The Company expects to see the benefits of the latest cost cutting measures in the fiscal third quarter ending December 31, 2002. "We are modifying our business plans to focus on developing and delivering packaged solutions for fiber optic communication applications. Most of the components in these solutions will be supplied by Asian manufacturers," added Jain.

APA continues to pursue opportunities in Gallium Nitride (GaN) based UV detection products and its R&D activities in the area of GaN based Hetero-junction Field Effect Transistors (HFETs) for high-speed communication, a technology with substantial market potential. "We believe our GaN based technology and our patents will be an instrumental part of APA Optics, Inc.'s future success," said Jain.

For the first six months of fiscal year 2003, the Company experienced a net loss of \$2,571,730, or 22 cents a share, as compared to a loss of \$2,009,560, or 17 cents a share, reported for the first six months of fiscal 2002. Revenues decreased for the first six months, with \$111,351 reported for fiscal 2003, as compared to \$521,909 for the first six months of fiscal 2002.

The weighted average shares outstanding for the second quarter of the 2003 fiscal year totaled, 11,874,957 as compared to the 11,917,465 weighted average shares outstanding during the three months ended September 30, 2001. For the six months ended September 30, 2002 the weighted average shares outstanding were 11,875,396 compared to 11,917,378 for the six months ended September 30, 2001.

On October 1, 2002, the Company extended its stock repurchase plan. "We continue to believe our stock is undervalued and plan to repurchase shares to cover current and future option and warrant commitments," said Jain. Under the extension, the Company may purchase up to the greater of 500,000 shares or \$2 million dollars of its common stock. As of September 30, 2002, the Company had repurchased 46,750 shares for a total of approximately \$99,000.

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Forward-looking statements contained herein are made pursuant to the safe harbor provisions of the Private Litigation Reform Act of 1995. These statements are based upon the Company's current expectations and judgments about future developments in the Company's business. Certain important factors could have a material impact on the Company's performance, including, without limitation, delays in or increased costs of production, delays in or lower than anticipated sales of the Company's new products, the Company's ability to sell such products at a profitable price, the Company's ability to fund operations, and other factors discussed from time to time in the Company's filings with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update such statements to reflect actual events.

<TABLE>  
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FINANCIAL RESULTS

Three Months Ended September 30,		Six Months Ended September 30,	
2002	2001	2002	2001

<S>	<C>	<C>	<C>	<C>
Revenues	\$ 38,900	\$ 87,574	\$ 111,351	\$ 521,909
Costs and expenses:				
Cost of sales	718,944	957,316	1,476,677	1,900,168
Research and development	336,680	236,299	689,847	418,892
Selling, general and administrative	397,824	510,217	717,935	946,832
	1,453,448	1,703,832	2,884,459	3,265,892
Loss from operations	(1,414,548)	(1,616,258)	(2,773,108)	(2,743,983)
Interest income	122,797	282,673	255,889	802,262
Interest expense	(26,736)	(30,527)	(54,011)	(66,452)
	96,061	252,146	201,878	735,810
Loss before income taxes	(1,318,487)	(1,364,112)	(2,571,230)	(2,008,173)
Income taxes	250	387	500	1,387
Net loss	(1,318,737)	(1,364,499)	(2,571,730)	(2,009,560)
Net loss applicable to common shareholders	\$ (1,318,737)	\$ (1,364,499)	\$ (2,571,730)	\$ (2,009,560)
Net loss per share:				
Basic and diluted	(\$0.11)	(\$0.11)	(\$0.22)	(\$0.17)
Weighted average shares outstanding:				
Basic and diluted	11,874,957	11,917,465	11,875,396	11,917,378

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FINANCIAL RESULTS (Continued)

<S>	September 30, 2002	March 31, 2002
<C>	<C>	<C>
Assets:		
Cash and equivalents	\$ 28,967,391	\$ 31,606,403
Other current assets	115,211	234,276
Property, plant and equipment, net	3,593,535	3,748,004
Other assets	646,011	807,727
Total assets	\$ 33,322,148	\$ 36,396,410
Liabilities:		
Current liabilities	2,071,086	2,426,475
Long-term liabilities	229,305	465,018
Shareholders' equity:		
Common stock	118,723	118,759
Additional-paid-in-capital	51,666,793	51,578,185
Accumulated deficit	(20,763,759)	(18,192,027)
Total shareholders' equity	31,021,757	33,504,917
Total liabilities and shareholders' equity	\$ 33,322,148	\$ 36,396,410

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APA Optics, Inc. develops, manufactures and markets advanced products for the fiber optic network communications, optoelectronics and laser industries, including dense wavelength division multiplexing (DWDM) components, ultraviolet (UV) detectors and devices for consumer UV monitoring based on compound semiconductor technology, nitride epitaxial layers and custom optics.

APA Optics, Inc. Contact Information:

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