

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: February 14, 2002

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

MINNESOTA 0-16106 41-1347235
(State of other jurisdiction (Commission File No.) (IRS Employer Identification
of incorporation) Number)

2950 NE 84TH LANE, BLAINE, MN 55449
(Address of principal executive offices) (Zip Code)

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 7. EXHIBITS

Exhibit No.	Description
- - - - -	- - - - -
99.1	Press Release dated February 14, 2003

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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: February 14, 2003 APA OPTICS, INC.

By /s/ David R. Peters

David R. Peters, Chief Financial Officer
(Principal accounting and financial
officer) and Authorized Signatory

NEWS RELEASE

APA OPTICS, INC. REPORTS LOSS FOR THIRD QUARTER AND FIRST NINE MONTHS OF FISCAL 2003

Cash Position Remains Strong with \$27.7 million On Hand

Minneapolis, MN, February 14, 2003 -- APA Optics, Inc. (NASDAQ: APAT), today reported a net loss of \$1,151,494, or 10 cents a share, for the third quarter of fiscal 2003, ended December 31, 2002, as compared to the loss of \$1,422,002, or 12 cents a share, posted for the third quarter of its 2002 fiscal year. The decreased loss was attributable to reduced operating expenses.

"Our financial results reflect the persistent sluggishness in the economy and in the fiber optics communications sector in particular", commented Anil Jain, the president and chief executive officer of APA. "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 costs, mainly in fiber optic component manufacturing, and lower operating expenses in an ongoing effort to limit cash burn rate," said Jain. The Company expects to see results continue to improve as a result of the latest cost cutting measures in the fiscal fourth quarter ending March 31, 2003. "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 nine months of fiscal year 2003, the Company experienced a net loss of \$3,723,224, or 31 cents a share, as compared to a loss of \$3,341,564, or 29 cents a share, reported for the first nine months of fiscal 2002. Revenues decreased for the first nine months, with \$152,025 reported for fiscal 2003, as compared to \$570,997 for the first nine months of fiscal 2002.

The weighted average shares outstanding for the third quarter of the 2003 fiscal year totaled, 11,872,331 as compared to the 11,875,881 weighted average shares outstanding during the three months ended December 31, 2001. For the nine months ended December 31, 2002 the weighted average shares outstanding were 11,874,371 compared to 11,903,496 for the nine months ended December 31, 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.

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

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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.

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FINANCIAL RESULTS

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2002	2001	2002	2001
<S>	<C>	<C>	<C>	<C>
Revenues	\$ 40,674	\$ 49,089	\$ 152,025	\$ 570,997
Costs and expenses:				
Cost of sales	554,053	1,026,341	2,030,730	2,926,509
Research and development	360,178	342,224	1,050,025	761,116
Selling, general and administrative	296,638	315,842	1,014,573	1,262,674
	1,210,869	1,684,407	4,095,328	4,950,299
Loss from operations	(1,170,195)	(1,635,318)	(3,943,303)	(4,379,302)
Interest income	44,906	244,499	300,795	1,046,760
Interest expense	(25,705)	(30,933)	(79,716)	(97,385)
	19,201	213,566	221,079	949,375
Loss before income taxes	(1,150,994)	(1,421,752)	(3,722,224)	(3,429,927)
Income taxes	500	250	1,000	1,637
Net loss	(1,151,494)	(1,422,002)	(3,723,224)	(3,431,564)
Net loss applicable to common shareholders	\$ (1,151,494)	\$ (1,422,002)	\$ (3,723,224)	\$ (3,431,564)
Net loss per share:				
Basic and diluted	(\$0.10)	(\$0.12)	(\$0.31)	(\$0.29)
Weighted average shares outstanding:				
Basic and diluted	11,872,331	11,875,881	11,874,371	11,903,496

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FINANCIAL RESULTS (Continued)

	December 31, 2002	March 31, 2002
<S>	<C>	<C>
Assets:		
Cash and equivalents	\$ 27,721,495	\$ 31,606,403
Other current assets	309,862	234,276
Property, plant and equipment, net	3,565,919	3,748,004
Other assets	619,336	807,727
Total assets	\$ 32,216,612	\$ 36,396,410
Liabilities:		
Current liabilities	2,188,575	2,426,475
Long-term liabilities	229,305	465,018
Shareholders' equity:		
Common stock	118,723	118,759
Additional-paid-in-capital	51,595,262	51,578,185
Accumulated deficit	(21,915,253)	(18,192,027)
Total shareholders' equity	29,798,732	33,504,917
Total liabilities and shareholders' equity	\$ 32,216,612	\$ 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.

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APA Optics, Inc. Contact Information:

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