

Dated: June 28, 2005

Anil K. Jain, Chief Executive and Chief
Financial Officer (Principal Executive and
Principal Financial Officer) and authorized
signatory

3
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

EXHIBIT INDEX
TO
FORM 8-K CURRENT REPORT

APA ENTERPRISES, INC.

EXHIBIT DESCRIPTION
NUMBER

99.1 Press release dated June 28, 2005

News Release

APA ENTERPRISES, INC. REPORTS RECORD REVENUES, DECREASED LOSSES FOR 2005 FISCAL YEAR

Subsidiary APA Cables & Networks posts a profit for the year

MINNEAPOLIS, MN, JUNE 28, 2005 -- APA Enterprises, Inc. (Nasdaq: APAT) today reported that consolidated revenues for the fiscal year ended March 31, 2005 increased 17% to \$13,886,486 from \$11,909,465 reported for fiscal year 2004. The change was due to higher revenues at APA's wholly owned subsidiary, APA Cables & Network, Inc. (Cables & Networks), in the 2005 first quarter. The higher revenues were attributable to assets acquired from Americable, Inc. at the end of the first quarter of fiscal 2004. The Americable acquisition contributed no corresponding revenues for the fiscal 2004 first quarter.

APA reported a net loss of \$3,420,038, or \$.29 cents per share, for the year ended March 31, 2005, representing a decrease of 48% from the net loss of \$6,535,147, or \$.55 cents per share in fiscal year 2004. The decreased loss reflects reduced costs and expenses in both the Optronics division and Cables & Networks due mainly to reductions in employee levels and more efficient operations.

For the fourth quarter of fiscal 2005, revenues were \$3,225,401, a decrease of \$253,547 from \$3,478,948 posted in the fourth quarter of fiscal year 2004. The decrease is due mainly to lower sales by Cables & Networks to Original Equipment Manufacturers (OEM's). The net loss in the fourth quarter of fiscal 2005 decreased 46% to \$905,645, or \$.08 cents per share compared to a loss of \$1,679,824, or \$.14 cents per share, reported for the fourth quarter of fiscal year 2004. The net decrease in loss is principally due to lower cost of sales at both Cables & Networks and Optronics.

Anil K. Jain, APA's president and chief executive officer, commented, "We are pleased with the progress made this fiscal year with respect to the overall reduction of losses. We are also excited to announce Cables & Networks posted a profit in its second full year of operations. This profit is a result of continued acceptance of its products in the marketplace along with management's success in streamlining operations since the acquisition."

The overall cash used during fiscal 2005 was \$2,731,418, a significant reduction of 69% as compared to \$8,690,776 during fiscal 2004. The overall cash used during fiscal 2005 was the lowest since fiscal 1999. The Company used approximately \$2.0 million in operations during fiscal 2005, down 64% from fiscal 2004.

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The Company finished the year with \$10,813,492 in cash. The cash consumption during the fourth quarter of fiscal 2005 was \$959,357 as compared to \$1,495,555 during the comparable period of fiscal 2004.

The weighted average shares outstanding for the three and twelve months ended March 31, 2005 were 11,872,331, unchanged from the three and twelve months ended March 31, 2004.

Cable & Networks

Sales for the year ended March 31, 2005 were \$13,800,589, an increase of \$2,109,311, or 18% from fiscal 2004. Fiscal 2005 included a full year of operations with the assets acquired from Americable, Inc. versus 9 months of operations with such assets in fiscal 2004. Net income was \$36,085 for fiscal 2005 versus a loss of \$1,245,121 for the same period in fiscal 2004. The increase in income over the prior year is due mainly to increased gross margins of approximately \$1,160,000 due to the Americable acquisition along with the reduction of S, G & A expenses and the elimination of expenses related to consolidating the acquisition in the prior year.

Sales for the fourth quarter of fiscal year 2005 were \$3,205,077, compared to sales of \$3,438,463 reported in the same quarter a year ago, a decrease of 7%. The decrease was due to lower sales to OEM customers compared to last year. Cables & Networks reported net income of \$30,859 for the fourth quarter of the fiscal year ended March 31, 2005 as compared to a loss of \$298,364 in the comparable period last year. The improvement is due to reductions in personnel and related costs in both production and S, G & A, as well as a reduction in asset disposal charges of \$77,000 absorbed in the prior year quarter.

Optronics Division

Gross sales for the year ended March 31, 2005 were \$489,737, an increase of \$80,941, or 20%, compared to the \$408,796 in fiscal 2004. Revenues for fiscal 2005 reflect \$403,840 of sales to Cables & Networks for fiber optics products and subcontracted labor versus \$190,609 in the fiscal 2004. These sales are eliminated as inter-company sales in the consolidated financial statements, and represent the primary difference from last year's sales. The net loss for year ended March 31, 2005 was \$3,456,123 versus a loss of \$5,290,026 in fiscal 2004. The decreased loss reflects cost reductions in the year ended March 31, 2005, primarily consisting of approximately \$1,450,000 of lower personnel and production costs associated with the workforce reduction, the elimination of expenses related to the optics product line (which was sold in April 2004), and income of approximately \$200,000 generated from the sale of the optics product line.

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Gross sales for the fourth quarter of 2005 were \$101,018, versus gross sales of \$187,498 reported in the same quarter in 2004. Revenues for the fourth quarter ended March 31, 2005 reflect \$79,945 of sales to Cables & Networks for fiber optics products and subcontracted labor versus \$147,013 in the year ago period. These sales are eliminated as inter-company sales in the consolidated financial statements, and represent the primary difference from last year's sales. The net loss of \$936,504 for the quarter was down 32% from the net loss of \$1,381,460 posted for the same quarter of 2004. The decrease from the prior year is due mainly to lower personnel expenses from planned workforce reductions.

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.

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FINANCIAL RESULTS

	Optronics	Cables & Networks	Eliminations	Consolidated
<S>	<C>	<C>	<C>	<C>
Three months ended March 31, 2005				
External sales	\$ 101	\$ 3,205	\$ (81)	\$ 3,225
Cost of sales	323	2,279	(81)	2,521
Operating income (loss)	(1,071)	112	-	(959)
Depreciation and amortization	211	58	-	269
Capital expenditures, net	101	21	-	122
Total assets	22,253	7,188	(7,367)	22,074
Three months ended March 31, 2004				
External sales	\$ 188	\$ 3,438	\$ (147)	\$ 3,479
Cost of sales	924	2,593	(147)	3,370
Operating loss	(1,500)	(152)	-	(1,652)
Depreciation and amortization	246	37	-	283
Capital expenditures, net	285	(58)	-	227
Total assets	26,187	7,310	(7,413)	26,084
Twelve months ended March 31, 2005				
External sales	\$ 489	\$ 13,801	\$ (404)	\$ 13,886
Cost of sales	1,622	9,980	(404)	11,198
Operating income (loss)	(4,129)	334	-	(3,795)
Depreciation and amortization	774	230	-	1,004

Capital expenditures, net	342	79	-	421
Total assets	22,253	7,188	(7,367)	22,074
Twelve months ended March 31, 2004				
External sales	\$ 409	\$ 11,691	\$ (191)	\$ 11,909
Cost of sales	3,074	9,031	(191)	11,914
Operating loss	(5,604)	(955)	-	(6,559)
Depreciation and amortization	797	174	-	971
Capital expenditures, net	695	91	-	786
Total assets	26,187	7,310	(7,413)	26,084

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FINANCIAL RESULTS (Continued)

	Three Months Ended March 31		Twelve Months Ended March 31	
	2005	2004	2005	2004
<S>	<C>	<C>	<C>	<C>
REVENUES	\$ 3,225,401	\$ 3,478,948	\$13,886,486	\$11,909,465
COST OF SALES	2,521,370	3,369,548	11,198,176	11,914,050
GROSS PROFIT (LOSS)	704,031	109,400	2,688,310	(4,585)
OPERATING EXPENSES				
Research and development	378,018	291,645	1,103,972	948,737
Selling, general and administrative	1,285,410	1,470,214	5,379,483	5,605,177
	1,663,428	1,761,859	6,483,455	6,553,914
LOSS FROM OPERATIONS	(959,397)	(1,652,459)	(3,795,145)	(6,558,499)
OTHER INCOME (LOSS), net	54,309	(27,475)	379,245	25,405
LOSS BEFORE INCOME TAXES	(905,088)	(1,679,934)	(3,415,900)	(6,533,094)
INCOME TAXES	557	(110)	4,138	2,053
NET LOSS	\$ (905,645)	\$ (1,679,824)	\$ (3,420,038)	\$ (6,535,147)
NET LOSS PER SHARE:				
Basic and diluted	\$ (0.08)	\$ (0.14)	\$ (0.29)	\$ (0.55)
WEIGHTED AVERAGE SHARES OUTSTANDING:				
Basic and diluted	11,872,331	11,872,331	11,872,331	11,872,331

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FINANCIAL RESULTS (Continued)

	March 31, 2005	March 31, 2004
<S>	<C>	<C>
Assets:		
Cash and cash equivalents	\$ 10,813,492	\$ 13,544,910
Other current assets	3,112,821	3,670,097
Property, plant and equipment, net	3,946,998	4,550,956
Other assets	4,200,703	4,317,553

Total assets	\$ 22,074,014	\$ 26,083,516
	=====	=====
Liabilities:		
Current liabilities	3,044,053	3,546,619
Long-term liabilities	107,800	173,836
Shareholders' equity:		
Common stock	118,723	118,723
Additional-paid-in-capital	51,960,084	51,980,946
Accumulated deficit	(33,156,646)	(29,736,608)
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Total shareholders' equity	18,922,161	22,363,061
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Total liabilities and shareholders' equity	\$ 22,074,014	\$ 26,083,516
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APA Enterprises, Inc., consisting of the Optronics division and APA Cables and Networks Inc., a wholly owned subsidiary, (Cables & Networks) develops, designs, manufactures and markets a variety of fiber optics, copper and Gallium Nitride (GaN) based components and devices for industrial, commercial, consumer and scientific applications. Cables & Networks designs, manufactures and markets a variety of fiber optic and copper components to the data communication and telecommunication industries. Optronics is active in the development, design, manufacture and marketing of ultraviolet (UV) detection and measurement devices for consumers and industrial customers, and Gallium Nitride (GaN) based transistors for power amplifiers and other commercial applications. Additional information about APA Enterprises is available at <http://www.apaenterprises.com>.

APAEnterprises, Inc. Contact Information:

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