



Record sales, record net income, and strong backlog highlight first quarter

August 20, 2003

Record sales, record net income, and strong backlog highlight first quarter Brookings, S.D. - August 20, 2003 - Daktronics, Inc. (Nasdaq - DAKT), a worldwide leader in the scoreboard, electronic display and large screen video display industry, announced record fiscal 2004 first quarter net sales of \$48.9 million and net income of \$4.3 million or \$.22 per diluted share, compared with first quarter net sales of \$44.1 million and net income of \$3.1 million, or \$.16 per diluted share, one year ago. Both sales and net income were the highest of any quarter in the Company's history.

Backlog at the end of the quarter was approximately \$56 million, compared with a backlog of approximately \$50 million at the end of the first quarter last fiscal year. The timing of large orders can cause significant fluctuations in the Company's backlog.

"We are very pleased with the financial results for the first quarter," said Jim Morgan, president and CEO of Daktronics. "Our top line increased nearly 11 percent and net income grew by 37 percent over the same quarter the previous year. We attribute the increase in net income to excellent, on-site, project management that provided significant savings on installation costs on multiple large contracts. We also realized greater than expected cost savings on certain raw materials. While achieving record sales and earnings for the quarter, we were also able to book quality orders and build a strong backlog with which to enter the second quarter.

"This fall, we are turning on new football systems at many high school and collegiate facilities, as well as three National Football League venues. Fans at Lambeau Field, home of the Green Bay Packers, Soldier Field, home of the Chicago Bears, and Lincoln Financial Field, new home of the Philadelphia Eagles, will enjoy Daktronics integrated scoring and display systems for the first time this season and for years to come. Due in part to these orders and many more, orders and sales in the sports markets during the quarter remained strong.

"Interest in our commercial and transportation products also remains strong. Commercial backlog increased nicely with the booking of standard product orders, as well as orders for two significant horse racing systems in Paris and southern California, which were announced earlier. Daktronics includes orders and revenues from gaming, horse and dog racing facilities in its commercial market. We also remain optimistic about the future demand for our transportation display systems," Morgan stated.

"We estimate net sales for the second quarter of fiscal 2004 will be in the range of \$50 to \$55 million, with earnings in the range of \$.15 to \$.22 per share. Based on our current strong backlog, favorable order potential for the foreseeable future, and an expectation that economic conditions will remain stable during the next nine months, our estimates for fiscal 2004 revenues remain unchanged. We estimate revenues between \$195 million and \$210 million for the fiscal year and that annual earnings will also increase over the previous fiscal year, taking into consideration the probability of lower average gross margins during the fiscal year," Morgan added.

"We elected to pay down additional debt during the quarter in anticipation of further improvement in cash flows, while at the same time increasing our cash position," said Bill Retterath, chief financial officer. "We expect the lower debt level will reduce interest expense on an annual basis by more than two hundred thousand dollars. In addition, the combination of the effects of the higher than expected gross margin and the maintenance of operating expenses at 22 percent of net sales, contributed to a 8.8 percent net income margin, which is also a record for the Company," Retterath said.

Noteworthy sports projects booked in the first quarter include display systems for Citizens Bank Park, Philadelphia, Penn.; Bradley Center, Milwaukee, Wisc.; HHH Metrodome, Minneapolis, Minn.; Minute Maid Park, Houston, Texas; World Arena, Colorado Springs, Colo.; Frisco Star Center, Frisco, Texas; Memorial Coliseum, Los Angeles, Calif.; Everett Events Center, Everett, Wa.; RBC Center, Raleigh, N.C.; Southern California Racing, Del Mar, Calif.; University of Utah, Salt Lake City, Utah; U.S. Naval Academy, Annapolis, Md.; Ohio University, Athens, Ohio; Stanford University, Stanford, Calif.; University of Oklahoma, Norman, Okla.; University of North Texas, Denton, Texas; Fresno State University, Fresno, Calif.; U.S. Military Academy, West Point, N.Y.; Troy State University, Troy, Ala.; Harlingen Consolidated ISD, Harlingen, Texas; Union Public Schools, Tulsa, Okla.; Fawcett Stadium, Canton, Ohio; Hippodrome de Paris Vincennes, Paris, France; and Arena Monterrey, Monterrey, Mexico. Noteworthy commercial and transportation orders booked in the first quarter include Isle of Capri Casino, Vicksburg, Miss.; J.H. Snyder Co., Los Angeles, Calif.; Branson Plaza, Branson, Mo.; Connecticut DOT, Newington, Conn.; Oregon DOT, Salem, Ore.; New York City DOT, Staten Island, N.Y.; New York DOT, Long Island City, N.Y.; North Carolina DOT, Smithfield, N.C.; Minnesota DOT, Roseville,

Minn.; Commonwealth of Pennsylvania, Pittsburgh, Penn.; and Tucson Airport Authority, Tucson, Ariz.

The Company will webcast its quarterly conference call at 10:00 am (central) on Wednesday, August 20. To listen to the webcast, go to the home page of www.daktronics.com, and click on the icon at the bottom right corner of the screen. Completion of a short registration form, along with Windows® Media Player software, are required to hear the webcast. A replay of the teleconference via the internet will also be accessible shortly after the conclusion of the conference call through www.daktronics.com. A replay of the teleconference accessible by telephone will be available for one week starting at noon Central Time on August 20. To access the replay, call toll-free in the U.S. and Canada 800-633-8284 and enter code 21155991. International callers can dial 402-977-9140 and enter code 21155991 to hear the replay by phone.

Daktronics has strong leadership positions in, and is one of the world's largest suppliers of electronic scoreboards, computer-programmable displays, large screen video displays, and control systems. The Company excels in the control of large display systems, including those that require integration of complex multiple displays showing real time information, graphics, animation and video. Daktronics designs, manufactures, markets and services display systems for customers around the world in sport, business and transportation applications, and celebrates its 35th year in business in 2003. For more information, visit the Company's worldwide web site at <http://www.daktronics.com>, email the Company at sales@daktronics.com, call toll-free 1-800-DAKTRONICS (800-325-8766) in the U.S., or write to the Company at 331 32nd Avenue, P.O. Box 5128, Brookings, SD 57006-5128.

Cautionary Notice: In addition to statements of historical fact, this news release contains forward-looking statements reflecting the Company's expectations or beliefs concerning future events which could materially affect company performance in the future. The Company cautions that these and similar statements involve risk and uncertainties including changes in economic and market conditions, management of growth, timing and magnitude of future contracts, and other risks noted in the company's SEC filings which may cause actual results to differ materially. Forward-looking statements are made in the context of information available as of the date stated. The Company undertakes no obligation to update or revise such statements to reflect new circumstances or unanticipated events as they occur.