



Daktronics, Inc. announces record fourth quarter and year-end results for fiscal 2003

June 4, 2003

Daktronics, Inc. announces record fourth quarter and year-end results for fiscal 2003. Brookings, S.D. - June 4, 2003 - Daktronics, Inc. (Nasdaq - DAKT), a worldwide leader in the design, manufacture, sales and service of large screen video displays, scoreboards and computer-programmable display systems, announced fiscal 2003 fourth quarter net sales of \$47.4 million and net income of \$3.4 million or \$.17 per diluted share, compared with fourth quarter net sales of \$36.1 million and net income of \$1.6 million, or \$.08 per diluted share, one year ago. Both net sales and net income were records for the Company's fourth quarter.

Net sales, net income and earnings per share for fiscal 2003 ended May 3, 2003 were \$177.8 million, \$12.5 million and \$.64 per diluted share, respectively, compared with \$148.8 million, \$4.9 million, and \$.25 per diluted share, respectively, for the previous fiscal year. Net sales, net income and earnings per share for the year were the highest in the Company's history.

Backlog at the end of the quarter was approximately \$50 million, compared with a backlog of approximately \$51 million at the end of the last fiscal year. The timing of large orders can cause significant fluctuations in the Company's backlog.

"We've completed a great fourth quarter and an excellent year for our employees, shareholders and customers," said Jim Morgan, president and CEO of Daktronics. "Quarterly revenues were up 31 percent and net income increased 114 percent compared to the fourth quarter the previous year. Annual revenues were up more than 19 percent from the previous year and net income for the year grew 155 percent over last fiscal year. The \$50 million backlog puts us in a good position for the start of fiscal 2004.

"The diversity of our revenues is certainly beneficial. Sports markets provided approximately two-thirds of revenues in fiscal 2003, commercial markets approximately 15 percent, and transportation markets approximately 10 percent. The remaining revenues are service-related. Each of the three major market areas experienced revenue growth this year over last.

"During the fourth quarter we installed several major baseball display systems in time for opening day games, including systems for Dodger Stadium, The Ballpark at Arlington, and Fenway Park. Commercial sales during the fourth quarter included a nice balance of large custom displays and standard products sold through our sign company network. Transportation sales included Vanguard systems for over the road applications, as well as some aviation and mass transit business. Our increased focus on securing international business has resulted in some notable orders outside the United States, including two recently announced projects for systems to be installed at Olympic Stadium in Berlin, Germany, and systems for use at the 2004 Olympics in Athens, Greece.

"We estimate that net sales for the first quarter of fiscal year 2004 will be in the range of \$46 million to \$51 million, with earnings in the range of \$.13 to \$.19 per share," Morgan said. "Based on this year's growth and an expectation that economic conditions will remain stable during the next twelve months, we believe that fiscal 2004 revenues will be between \$195 million and \$210 million, and that earnings will increase accordingly, taking into account the effects of slightly lower gross profit margins expected in fiscal 2004 and the actual level of net sales," Morgan stated.

"During the fourth quarter and throughout the year we've strengthened our financial position," said Bill Retterath, chief financial officer. "For the year we achieved an operating income margin in excess of 11 percent of net sales, and continue to generate significant dollars in cash flow from operations, which exceeded \$15 million for the year, in spite of a large increase in receivables, which we expect to turn in a positive direction in the first quarter. We also continued to reduce debt levels with total debt reduction of almost 40 percent for the year.

"The slight rise in operating expenses for the quarter was expected. We believe that we can continue to keep these costs at the same or slightly lower levels as a percent of net sales into the future. Finally, as we have disclosed before, we expect margins for fiscal 2004 to be lower than fiscal 2003, but believe that over the long term we can continue our history of increasing gross margins after factoring out the unusual positive factors we experienced this past year," Retterath said.

Noteworthy projects booked in the fourth quarter include display systems for the Athens 2004 Olympic Games, Athens, Greece; Georgia Southern University, Statesboro, Ga.; University of California at Davis; Special Event Productions, Clemmons, N.C.; Binghamton University, Binghamton, N.Y.; Wisconsin Center District, Milwaukee, Wisc.; Tulane University, New Orleans, La.; Government of Chihuahua, Mexico; Estadio Hiram Bithorn, San Juan, Puerto Rico; Northwest Missouri State University, Maryville,

Mo.; Nueces County, Robstown, Texas; St. Paul Saints, St. Paul, Minn.; Olympia Stadion, Berlin, Germany; Kansas City T-Bones, Edwardsville, Kan.; Round Rock Independent School District, Round Rock, Texas; Coastal Carolina University, Conway, S.C.; Coliseo de Puerto Rico, San Juan, Puerto Rico; Vaqueros Torreon Baseball, Torreon, Mexico; The Ballpark in Arlington, Arlington, Texas; New York State Thruway Authority, Tarrytown, N.Y.; San Antonio International Airport, San Antonio, Texas; Orange County Board, Orlando, Fla.; and New York State DOT, Long Island City, N.Y.

The Company will webcast its quarterly conference call at 10:00 am (central) on Wednesday, June 4. 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 June 4. To access the replay, call tollfree in the U.S. and Canada 800-633-8284 and enter code 21144175. International callers can dial 402-977-9140 and enter code 21144175 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, and large screen video display 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.