



FOR IMMEDIATE RELEASE FROM DAKTRONICS, INC.

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Daktronics, Inc. announces record third quarter results

Brookings, S.D. – Feb. 19, 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 year 2003 third quarter net sales of \$38.2 million and net income of \$1.9 million or \$.10 per diluted share, compared with third quarter net sales of \$30.9 million and a net loss of \$293,000, or \$.02 per diluted share, one year ago. Both net sales and net income were records for the Company's third quarter.

Net sales, net income and earnings per share for the nine months ended Feb. 1, 2003 were \$130.4 million, \$9.0 million and \$.47 per diluted share, respectively, compared with \$112.7 million, \$3.3 million, and \$.17 per diluted share, respectively, for the same period one year ago.

Backlog at the end of the quarter was approximately \$51 million, compared with approximately \$30 million at the end of the third quarter one year ago. The timing of large orders can cause significant fluctuations in the Company's backlog. The \$51 million backlog does not include the order for the Texas Rangers that was announced Feb. 11, 2003 and booked in the fourth quarter.

"We are pleased with the strong quarterly results," said Jim Morgan, president and CEO of Daktronics. "The third quarter is historically our most challenging quarter for both booking orders and generating revenue, primarily because of lost work time due to the holidays and the fact that many of our potential customers, especially those in the school and college markets, are more difficult to reach during that time of year. The seasonality of the sports business may have an effect on third quarter results. In addition, weather sometimes affects the progress and completion of outdoor projects.

"We booked significantly more business this quarter than one year ago and maintained a nice balance of sport, commercial and transportation bookings during the quarter, from both smaller standard orders as well as larger contract work. For the year to date, orders are up more than 16 percent with increases in each of the three major market areas of sport, commercial and transportation, including services related revenues.

"Net sales are up nicely as well, increasing nearly 24 percent for the quarter and more than 15 percent for the nine month period, compared with the same periods one year ago. Each of the major market areas of sport, commercial and transportation showed increases quarter over quarter, with our transportation market showing the greatest percentage increase. Year to date, our commercial market continues to show the greatest percentage increase, while sports accounts for the highest dollar increase year over year," Morgan said.

"We entered the fourth quarter with a solid backlog of more than \$51 million, a record for the end of the third quarter, which should help position us for strong fourth quarter results. However, we realize the importance of continuing to book quality orders and delivering on those orders. We estimate that net sales for the fourth quarter of fiscal year 2003 will be in the range of \$43 million to \$48 million, with earnings in the range of \$.10 to \$.17 per share," Morgan said.

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Daktronics, Inc. Third Quarter Results for Fiscal 2003

“We continued to work on strengthening our financial position during what is typically our weakest quarter each year,” said Bill Retterath, chief financial officer. “Our cash position was maintained during the quarter, while at the same time we reduced our debt by almost 20 percent. Year to date, cash from operations is in excess of \$14 million, including \$3.6 million in the third quarter.

“We also saw a decline in operating expenses from the previous quarters although we expect a slight rise in the coming quarters. Finally, as expected, gross margin percentage went down for the quarter but at 32.3 percent is still greater than prior year levels. We expect margins to go down slightly in the fourth quarter,” Retterath said.

Noteworthy projects booked in the third quarter include display systems for the Houston Multi-Purpose Arena, Houston, Texas; Los Angeles Dodgers, Los Angeles, Calif.; Bank One Ballpark, Phoenix, Ariz.; Fenway Park, Boston, Mass.; National Training Center – L.A. Galaxy, Carson, Calif.; Frisco Professional Baseball, Frisco, Texas; Oklahoma State University, Stillwater, Okla.; University of Florida, Gainesville, Fla.; Chattanooga Convention Center, Chattanooga, Tenn.; University of Tennessee, Knoxville, Tenn.; Wichita State University, Wichita, Kan.; University of North Dakota, Grand Forks, N.D.; Indianapolis Indians, Indianapolis, Ind.; Dixie Stampede, Orlando, Fla. and Branson, Mo.; Grand Casino, Biloxi, Miss.; Tropicana Casino & Resort, Atlantic City, N.J.; Southwest Hospital, Lafayette, La.; PSA Peugeot Citroen, Paris, France; New Jersey Dept. of Transportation, Trenton, N.J.; MTA Long Island Railroad, Hollis, N.Y.; Caltrain, San Carlos, Calif.; Virginia Dept. of Transportation, Hampton, Va.; North Carolina Dept. of Transportation, Raleigh, N.C.; Denver International Airport, Denver, Colo.; and Dallas Fort Worth International Airport.

The Company will webcast its quarterly conference call at 10:00 am (central) on Wednesday, Feb. 19. To listen to the webcast, go to the home page of www.daktronics.com, and click on the webcast 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 the investor relations section of www.daktronics.com. A replay of the teleconference accessible by telephone will be available for 24 hours starting at noon Central Time on Feb. 19. To access the replay, call toll-free in the U.S. and Canada 800-633-8284 and enter code 21119137. International callers can dial 402-977-9140 and enter code 21119137 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.

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Financial tables are included on the following pages.

DAKTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

(in thousands, except per share data)
(unaudited)

	Three Months Ended		Nine Months Ended	
	February, 1 2003 (13 weeks)	January 26, 2002 (13 weeks)	February 1, 2003 (40 weeks)	January 26, 2002 (39 weeks)
Net sales	\$ 38,220	30,863	130,400	112,682
Cost of goods sold	25,855	21,817	86,925	79,829
Gross profit	12,365	9,046	43,475	32,853
Operating expenses:				
Selling	5,868	5,592	18,649	16,408
General and administrative	1,824	1,744	5,159	5,084
Product design and development	1,534	1,890	5,086	5,312
Total operating expenses	9,226	9,226	28,894	26,804
Operating income	3,139	(180)	14,581	6,049
Nonoperating income (expense):				
Interest income	184	201	516	565
Interest expense	(195)	(361)	(675)	(1,204)
Other income (expense), net	58	(111)	323	(41)
Income (loss) before income taxes and minority interest	3,186	(451)	14,745	5,369
Income tax expense (benefit)	1,288	(179)	5,688	2,023
Income (loss) before minority interest	1,898	(272)	9,057	3,346
Minority interest in income of subsidiary	(10)	(21)	(10)	(49)
NET INCOME (LOSS)	\$ 1,888	(293)	9,047	3,297
Earnings (loss) per share:				
Basic	\$ 0.10	\$ (0.02)	\$ 0.49	\$ 0.18
Diluted	\$ 0.10	\$ (0.02)	\$ 0.47	\$ 0.17
Weighted average number of common shares outstanding:				
Basic	18,383	18,217	18,330	18,307
Diluted	19,697	19,208	19,396	19,518

DAKTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>February 1, 2003</u> (unaudited)	<u>April 27, 2002</u> (audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 8,863	\$ 2,097
Accounts receivable, less allowance for doubtful accounts	15,274	17,878
Current maturities of long-term receivables	2,140	2,515
Inventories	17,018	16,472
Costs and estimated earnings in excess of billings	18,007	10,277
Prepaid expenses and other	670	524
Deferred income taxes	3,297	2,784
Total current assets	<u>65,269</u>	<u>52,547</u>
Property and equipment, net	25,133	26,845
Advertising rights, net	400	489
Long term receivables, less current maturities	4,457	5,366
Goodwill, net of accumulated amortization	1,043	1,061
Intangible and other assets, other than goodwill, net	946	1,038
TOTAL ASSETS	<u>\$ 97,248</u>	<u>\$ 87,346</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable, bank	\$ —	\$ 51
Accounts payable	8,470	6,690
Accrued expenses	8,765	7,337
Current maturities of long-term debt	3,394	4,254
Billings in excess of costs and estimated earnings	3,521	2,944
Customer deposits	2,298	2,185
Income tax payable	1,368	733
Total current liabilities	<u>27,816</u>	<u>24,194</u>
Long-term debt, less current maturities	5,926	9,574
Deferred income	1,063	711
Deferred income taxes	1,203	1,282
	<u>8,192</u>	<u>11,567</u>
TOTAL LIABILITIES	36,008	35,761
MINORITY INTEREST IN SUBSIDIARY	<u>94</u>	<u>84</u>
SHAREHOLDERS' EQUITY		
Common stock	13,974	13,533
Additional paid-in capital	649	505
Retained earnings	46,539	37,492
Less cost of treasury stock	(9)	(9)
Accumulated other comprehensive loss, foreign currency translation adjustment	(7)	(20)
TOTAL SHAREHOLDERS' EQUITY	<u>61,146</u>	<u>51,501</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 97,248</u>	<u>\$ 87,346</u>