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Brookings, S.D. - February 16, 2005 - Daktronics, Inc. (Nasdaq - DAKT), today reported fiscal 2005 third quarter net sales of $50.8 million and net income of $2.5 million or $0.12 per diluted share, compared with third quarter net sales of $44.5 million and net income of $2.6 million, or $0.13 per diluted share, one year ago. Backlog at the end of the quarter was approximately $53 million, compared with a backlog of approximately $43 million at the end of the third quarter of fiscal year 2004.

Net sales, net income and earnings per share for the nine months ended January 29, 2005, were $169.0 million, $12.7 million and $0.63 per diluted share, respectively, compared to $152.0 million, $13.6 million and $0.68 per diluted share, respectively, for the same period one year ago..

"Although net sales and income for the quarter did not meet our previously announced estimates, the factors driving our positive long-term outlook for sales growth have not changed," said Jim Morgan, president and CEO. "We continue to see significant growth in our standard line of commercial products, led by growing acceptance of our Galaxy® product line. We began shipments of a new color and monochrome combination Galaxy® display. Growth of commercial products outside of the strong national account business was especially pleasing. These areas of our business continue to meet our expectations," said Morgan. .

Morgan added, "With baseball season just around the corner, we booked a number of large orders during the quarter including the Rogers Centre (formerly Skydome) in Toronto, Dodger Stadium in Los Angeles, Coors Field in Denver, and a number of minor league and spring training facilities. A number of sports orders that we expected to book in the third quarter have booked or are booking in the first few weeks of the fourth quarter, giving us an overall solid order performance for the baseball season." .

"In our transportation market, we booked a number of larger orders, including orders with the Florida, New Jersey and North Carolina Departments of Transportation and a number of airport transactions for new and repeat customers." .

"We completed two small acquisitions to expand our product and distribution base," said Morgan.

"Although neither transaction will have an immediate material impact on sales, we look forward to their contributions for the longer term. With the addition of sound reinforcement systems to our display systems, we have further strengthened our integrated systems offering. With the acquisition of European Timing Systems in the United Kingdom, we will be better positioned for providing service and support to larger installations and expanding the distribution of our standard products. This is the same service-based approach which has worked well for us domestically. For the first few quarters following each acquisition, however, we expect added selling and administrative costs as we invest in these businesses for the long term.".

Morgan continued, "We have been investing more in product development as we work aggressively to complete product designs. Our product development costs exceeded our general target of 4%, primarily due to added investments in the mobile and modular business, in commercial products and in the digital signage controllers. In the mobile and modular business, we continue development on the ProTourTM product line. In the commercial products area, we began shipments of our color and monochrome combination Galaxy® displays, a product targeted for the retail marketplace.".

"For the quarter, our gross profit margin was approximately 30% compared with the guidance we had given in the past of approximately 32%," said Bill Retterath, chief financial officer. "The lower than expected results were attributable to lower margins on orders booked during the quarter, due, in some cases, to competitive pressures, lower than expected absorption of fixed costs due to the holidays, and added costs to expedite raw materials due to order booking delays. We are expecting the gross margin percentage to be approximately 31% for the fourth quarter, realizing that actual rates could vary depending on orders booked during the quarter and sales performance. ".

"Our selling, general and administrative costs were also higher during the quarter due to costs of developing our international market, the effects of the acquisitions, and the costs related to Sarbanes-Oxley compliance. In addition, during the quarter there was a significant commitment of internal resources in connection with Sarbanes-Oxley compliance," said Retterath..

Retterath continued, "The research and development tax credits which we announced previously contributed to the income tax benefit for the quarter. This should provide continued benefits in future years through a slight reduction in our overall effective tax rate." .

Regarding cash flow, Retterath said, "We performed well during the quarter, generating free cash flow (defined as cash flows from operations, less cash flows used in investing activities) of $8.3 million for the quarter, as compared with a negative $1.6 million for the third quarter of last year. This increase resulted from an improvement in net operating assets, which included the reduction of long-term receivables, despite a buildup of inventory at the end of the quarter in anticipation of order bookings." .

Morgan concluded, "We are estimating net sales for the fourth quarter of fiscal 2005 will be in the range of $58 to $66 million, with earnings in the range of $0.20 to $0.30 per share. These estimates are based on our current backlog and anticipated orders and include approximately $0.05 per share estimated benefit from research and development credits for prior fiscal years. The timing of large orders will affect actual sales and net income realized in the fourth quarter. This guidance puts our annual revenue estimates at between $227 million and $235 million and our net income estimates at $0.83 to $0.93 per share." .

The Company will webcast its quarterly conference call at 10:00 am (central) on Wednesday, February 16, 2005. To listen to the webcast, go to 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 February 16. To access the replay, call toll-free in the U.S. and Canada 800-633-8284 and enter code #21228772. International callers can dial 402-977-9140 and enter code #21228772 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. 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..

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