SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended November 2, 1996

Commission file number
0-23246
DAKTRONICS, INC.

South Dakota	46-0306862
(State or other jurisdiction of incorporation of organization)	(I.R.S. Employer Identification No.)

331 32nd Avenue Brookings, SD 57006
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (605) 697-4000

(Former name, address, and/or fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes __X__ No ____

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at November 30, 1996
Common Stock, No par value	4,306,420

Daktronics, Inc.

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DAKTRONICS, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS

(In thousands)

ASSETS	NOVEMBER 2, 1996 (UNAUDITED)	APRIL 27, 1996
CURRENT ASSETS		
Cash and cash equivalents	$ 177	$ 218
Accounts receivable less allowance for doubtful accounts of $146 at Nov 2, 1996, and $129 at April 27, 1996	10,140	8,630
Current maturities of long-term notes and contracts receivable	1,224	1,372
Inventories	9,787	9,800
Costs and estimated earnings in excess of billings on uncompleted contracts	3,863	2,684
Real estate held for sale	--	1,126
Prepaid expenses	169	245
Deferred income tax benefit	703	703
Income taxes receivable	--	64
Total current assets	$26,063	$24,842
LONG-TERM RECEIVABLES AND OTHER ASSETS		
Advertising rights	$ 2,379	$ 2,030
Notes and contracts receivables, less current maturities	2,518	2,714
Consulting and noncompete agreements and other	1,452	1,688
	$ 6,349	$ 6,432
PROPERTY AND EQUIPMENT, at cost		
Land	$ 491	$ 455
Buildings	4,368	3,902
Machinery and equipment	9,016	8,398
Office furniture and equipment	244	233
Transportation equipment	497	423
	$14,616	$13,411
Less accumulated depreciation	7,501	6,918
	$ 7,115	$ 6,493
	$39,527	$37,767

The accompanying notes are an integral part of these Consolidated Financial Statements.

DAKTRONICS, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
(In thousands)

LIABILITIES AND SHAREHOLDERS' EQUITY	NOVEMBER 2, 1996 (UNAUDITED)	APRIL 27, 1996
CURRENT LIABILITIES		
Notes payable	$ 6,004	$ 5,690
Current maturities of long-term debt	498	1,382
Accounts payable	3,432	4,330
Accrued expenses	2,943	2,295
Billings in excess of costs and estimated earnings on uncompleted contracts	2,395	1,001
Accrued loss on uncompleted contracts	544	640
Income taxes payable	130	--
Total current liabilities	$ 15,946	$ 15,338

LONG-TERM DEBT, less current maturities	$ 1,340	$ 1,544
DEFERRED INCOME	$ 430	$ 539
DEFERRED INCOME TAXES	$ 485	$ 485
SHAREHOLDERS' EQUITY		
Common stock, no par value		
Authorized 15,000 shares		
4,196 shares issued at Apr 27, 1996, and 4,306 shares issued at Nov 2, 1996	$ 11,680	$ 11,299
Retained earnings	9,655	8,571
	$ 21,335	$ 19,870
Less:		
Cost of 5 treasury shares	(9)	(9)
	$ 21,326	$ 19,861
	$ 39,527	$ 37,767

The accompanying notes are an integral part of these Consolidated Financial Statements.

DAKTRONICS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF INCOME
(In thousands, except earnings per share)
(unaudited)

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	NOVEMBER 2, 1996 (13 WEEKS)	OCTOBER 28, 1995 (13 WEEKS)	NOVEMBER 2, 1996 (27 WEEKS)	OCTOBER 28, 1995 (26 WEEKS)
Net sales	$ 16,257	$ 14,532	$ 33,279	$ 26,978
Cost of goods sold	12,184	11,181	24,798	20,891
Gross profit	$ 4,073	$ 3,351	$ 8,481	$ 6,087
Operating expenses:				
Selling	$ 2,031	$ 1,864	$ 4,087	$ 3,600
General and administrative	666	490	1,315	1,024
Product design and development	560	387	1,131	856
	$ 3,257	$ 2,741	$ 6,533	$ 5,480
Operating income	$ 816	$ 610	$ 1,948	$ 607
Nonoperating income (expense):				
Interest income	93	72	186	152
Interest expense	(233)	(174)	(437)	(220)
Other income	50	84	110	139
Income before income taxes	$ 726	$ 592	$ 1,807	$ 678
Income tax expense	283	208	724	251
Net income	$ 443	$ 384	$ 1,083	$ 427
Earnings per share	$ .11	$ .09	$ .26	$ .10
Weighted average number of common and common equivalent shares	4,210	4,240	4,219	4,247

The accompanying notes are an integral part of these Consolidated Financial Statements.

DAKTRONICS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(unaudited)

	SIX MONTHS ENDED	
	NOVEMBER 2, 1996 (27 weeks)	OCTOBER 28, 1995 (26 weeks)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 1,084	$ 427
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	583	548
Amortization	138	287
Provision for doubtful accounts	66	11
Change in operating assets and liabilities	(1,100)	(5,297)
Net cash provided by (used in) operating activities	$ 771	$(4,024)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	$(1,205)	$ (627)
Proceeds from sale of real estate held for sale	1,126	--
Other, net	32	(954)
Net cash (used in) investing activities	$ (47)	$(1,581)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings on notes payable	$ 314	$ 6,043
Principal payments on long-term debt	(1,079)	(206)
Net cash provided by (used in) financing activities	$ (765)	$ 5,837
Increase (decrease) in cash and cash equivalents	$ (41)	$ 232
Cash and cash equivalents:		
Beginning	218	380
Ending	$ 177	$ 612

The accompanying notes are an integral part of these Consolidated Financial Statements.

DAKTRONICS, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

NOTE A. GENERAL

The consolidated financial statements include the accounts of Daktronics, Inc. and its wholly-owned subsidiary, Star Circuits, Inc. Intercompany accounts and transactions have been eliminated in consolidation.

Earnings per common and common equivalent share are calculated by dividing the earnings for the period by the weighted average number of common and common equivalent shares outstanding during the period, which includes the dilutive effect of outstanding stock options and warrants.

In the opinion of management, the unaudited financial statements contain all adjustments, consisting of normal recurring accruals, necessary to present fairly the consolidated financial position of the Company and its subsidiaries as of November 2, 1996 and the results of its operations and cash flows for the three months and six months ended November 2, 1996 and October 28, 1995. These results may not be indicative of the results to be expected for the full fiscal year.

NOTE B. INVENTORIES

Inventories consist of the following (in thousands):

	November 2, 1996	April 27, 1996
Raw materials........................	$6,640	$5,718
Work-in-process......................	1,967	2,606
Finished goods........................	1,180	1,476
	$9,787	$9,800

NOTE C. LITIGATION

On May 4, 1995, the Company was served with a complaint, filed in the United States District Court Northern District of Georgia, by Display Solutions, Inc. alleging that the Company and Federal Sign Division of Federal Signal Corporation infringed on the plaintiff's patent rights. Based on the opinion of the Company's patent counsel, management of the Company believes that there is no infringement and intends to defend the litigation vigorously. The case is in its early stages and an evaluation of the likelihood of an unfavorable outcome, or estimate of the range or amount of possible loss, if any, is unavailable.

On May 20, 1996, the Company filed a complaint in United States District Court for the District of South Dakota Southern Division against Trans-Lux Corporation requesting a declaratory judgement. Trans-Lux Corporation asserted that the Company has infringed one certain patent. Based on the opinion of the Company's patent counsel, management of the Company believes that there has been no infringement and is seeking this declaratory judgement to affirm its position.

ITEM 2. FINANCIAL REVIEW

(Management's discussion and analysis of financial condition and results of operations)

The following discussion highlights the principal factors affecting changes in financial condition and results of operations.

This review should be read in conjunction with the accompanying Consolidated Financial Statements and Notes to Consolidated Financial Statements.

GENERAL

The Company designs, manufactures and sells a wide range of computer-programmable information display systems to customers in a variety of markets throughout the world. The Company focuses its sales and marketing efforts on markets rather than products. Major categories of markets include Sports, Business and Government.

The Company's net sales and profitability historically have fluctuated due to the impact of large product orders, such as display systems for the Olympic Games and major league sports, as well as the seasonality of the sports market. The Company's gross margins on large product orders tend to fluctuate more than those for small standard orders. Large product orders that involve competitive bidding and substantial subcontract work for product installation generally have lower gross margins. Although the Company follows the percentage of completion method of recognizing revenues for these large orders, the Company nevertheless has experienced fluctuations in operating results and expects that its future results of operations may be subject to similar fluctuations.

The Company operates on a 52-53 week fiscal year, with fiscal years ending on the Saturday closest to April 30 of each year. The first three quarters end on the Saturday closest to July 31, October 31 and January 31. The fiscal year ending May 3, 1997, will be a 53-week year.

RESULTS OF OPERATIONS

The following table sets forth the percentage of net sales represented by items included in the Company's Consolidated Statements of Operations for the periods indicated:

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	NOVEMBER 2, 1996 (13 WEEKS)	OCTOBER 28, 1995 (13 WEEKS)	NOVEMBER 2, 1996 (27 WEEKS)	OCTOBER 28, 1995 (26 WEEKS)
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	74.9%	76.9%	74.5%	77.4%
Gross profit	25.1%	23.1%	25.5%	22.6%
Operating expenses	20.0%	18.9%	19.6%	20.4%
Operating income	5.1%	4.2%	5.9%	2.2%
Interest income	0.6%	0.5%	0.6%	0.6%
Interest expense	(1.4%)	(1.2%)	(1.3%)	(0.8%)
Other income (expense)	0.3%	0.6%	0.3%	0.5%
Income before income taxes	4.5%	4.1%	5.5%	2.5%
Income tax expense	1.7%	1.5%	2.2%	0.9%
Net income	2.8%	2.6%	3.3%	1.6%

NET SALES

Net sales were $16.3 million and $33.3 million for the three and six months ended November 2, 1996, compared to $14.5 million and $27.0 million for the three and six months ended October 28, 1995, representing a increase of 12% for the three month period and 23% for the six month period. The increase in net sales for the three and six month periods was the result of increased sales in most of the sports markets. The Company also experienced an increase in sales volume of smaller orders in the sports and business markets over the same periods.

Based on current backlog and customer quotations, the Company believes that net sales for the last six months of fiscal year 1997 will be similar to and may exceed the last six months of fiscal year 1996.

GROSS PROFIT

Gross profit increased 22% from $3.4 million for the three months ended October 28, 1995 to $4.1 million for the three months ended November 2, 1996. Gross profit as a percentage of net sales was 23.1% for the three months ended October 28, 1995 compared to 25.1% for the three months ended November 2, 1996. The increase was the result of higher gross profit margins in the sports and business markets.

Gross profit increased 39% from $6.1 million for the six months ended October 28, 1995 to $8.5 million for the six months ended November 2, 1996. Gross profit as a percentage of net sales was 22.6% for the six months ended October 28, 1995, compared to 25.5 % for the six months ended November 2, 1996. The increase for the six month period was the result of the same conditions previously mentioned.

Due in part to the impact of large orders and the amount of subcontracting work associated with installation of these products, the Company expects that its gross profit margin will continue to fluctuate in future periods.

OPERATING EXPENSES

Selling expenses increased 9% from $1.9 million for the three months ended October 28, 1995, to $2.0 million for the three months ended November 2, 1996. Selling expenses increased 14% from $3.6 million for the six months ended October 28, 1995 to $4.1 million for the six months ended November 2, 1996. The increases were due primarily to the addition of sales staff and increased selling activity.

General and administrative expenses increased from $490,000 and $1.0 million for the three and six months ended October 28, 1995 to $666,000 and $1.3 million for the three and six months ended November 2, 1996. The increases were due to increases in salary and personnel to support company growth.

Product design and development increased from $387,000 and $856,000 for the three and six months ended October 28, 1995 to $560,000 and $1.1 million for the three and six months ended November 2, 1996. The increases were due to a greater number of product development projects to improve and upgrade existing products and develop new products.

INTEREST INCOME

The Company occasionally sells products on an installment basis or in exchange for advertising revenues from the scoreboard or display, both which result in long-term receivables. Interest income increased from $72,000 and $152,000 for the three and six months ended October 28, 1995 to $93,000 and $186,000 for the three and six months ended November 2, 1996. The increase was due to higher average balances of long-term receivables.

INTEREST EXPENSE

Interest expense increased from $174,000 and $220,000 for the three and six month periods ended October 28, 1995 to $233,000 and $437,000 for the three and six months ended November 2, 1996. The increase was due to an increase in average loan balances to fund the increase in working capital to support sales growth.

INCOME TAX EXPENSE

Income taxes as a percentage of income before income taxes was 37% and 40% for the six months ended October 28, 1995 and November 2, 1996 respectively. The increase was due to the rounding of state tax accruals and a decrease in nontaxable interest income.

NET INCOME

Net income increased from $384,000 and $427,000 for the three and six months ended October 28, 1995 to $443,000 and $1.1 million for the three and six months ended November 2, 1996. The increase was due to increased net sales and an increase in gross profit as a percentage of sales.

Management believes that one of the principal factors that will affect net sales and income growth is the Company's ability to increase the marketing of its products in existing markets and expand the marketing of its products to new markets.

LIQUIDITY AND CAPITAL RESOURCES

Working capital was $10.1 million at November 2, 1996 and $9.5 million at April 27, 1996. Working capital provided by net income, depreciation and amortization was offset by purchases of property and equipment, repayment of long-term debt and acquisition of advertising rights. The Company has historically financed working capital needs through a combination of cash flow from operations and borrowings under bank credit agreements.

Cash provided by operations for the six months ended November 2, 1996 was $771,000. Net income of $1.1 million plus depreciation and amortization of $721,000 were offset by increases in inventory and receivables including costs and estimated earnings in excess of billings on uncompleted contracts. Cash used in investing activities consisted primarily of $1.2 million for purchase of property and equipment, and was offset by $1.1 million in proceeds from sale of real estate held for sale. Cash used in financing activities included $1.1 million of repayment of long-term debt and was offset by $314,000 net borrowings provided from the Company's line of credit.

The Company has used and expects to use cash reserves and bank borrowings to meet its short term working capital requirements. On large product orders, the time between acceptance and completion may extend up to 12 months or more depending on the amount of custom work and the customer's delivery needs. The Company often receives a down payment or progress payments on these product orders. To the extent that these payments are not sufficient to fund the costs and other expenses associated with these orders, the Company uses working capital and bank borrowings to finance these cash requirements.

As of November 2, 1996, the Company had a credit agreement with a bank providing for an unsecured revolving line of credit of $10.0 million, which includes up to $5.0 million for standby letters of credit. The line of credit is at the prime rate as established by the bank from time to time (8.25 % at November 2, 1996) and is due on September 30, 1997. As of November 2, 1996, $6.0 million had been drawn on the line of credit.

The Company is sometimes required to obtain performance bonds for display installations. The Company currently has a bonding line available through an insurance company that provides for an aggregate of $25.0 million in bonded work outstanding. At November 2, 1996, the Company had $ 10.9 million of bonded work outstanding against this line.

The Company believes that if its growth continues, it may need to increase the amount of its credit facility. The Company anticipates that it will be able to obtain any needed funds under reasonable terms from its current lender. The Company believes that cash from operations, from its existing or increased credit facility, and its current working capital will be adequate to meet the cash requirements of its operation in the foreseeable future.

PART II - OTHER INFORMATION

Item 6 - EXHIBITS

10.1 Revolving Note between Daktronics, Inc. and Norwest Bank Minnesota, National Association dated September 30, 1996.

10.2 Second Amendment to credit agreement dated September 30, 1996 between Norwest Bank Minnesota, National Association, and Daktronics, Inc.

27.1 Financial Data Schedule

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

/s/ Aelred J. Kurtenbach, President
-----------------------------------=
Daktronics, Inc.
(Dr. Aelred J. Kurtenbach, President)
(President)

Date December 12, 1996

/s/ Paul J. Weinand, Treasurer
-----------------------------------=
Daktronics, Inc.
(Paul J. Weinand, Treasurer)
(Principal Financial Officer)

[GRAPHIC OMITTED] NORWEST BANK MINNESOTA,
NATIONAL ASSOCIATION

REVOLVING NOTE

$10,000,000.00 Sept 30, 1996

FOR VALUE RECEIVED, Daktronics, Inc. (the "Borrower") promises to pay to the order of Norwest Bank Minnesota, National Association (the "Bank"), at its Bloomington Office or such other address as the Bank or holder may designate from time to time, the principal sum of Ten Million and No/100 Dollars ($10,000,000.00), or the amount shown on the Bank's records to be outstanding, plus interest (calculated on the basis of actual days elapsed in a 360-day year) accruing on the unpaid balance at the annual interest rates defined below. Absent manifest error the Bank's records will be conclusive evidence of the principal and accrued interest owing hereunder.

This Revolving Note is issued pursuant to a Credit Agreement dated April 20, 1994, as amended by a First Amendment dated February 13, 1996, and by a Second Amendment of even date herewith (as amended, the "Agreement"), made between the Bank and the Borrower. The Agreement contains additional terms and conditions including default and acceleration provisions. The terms of the Agreement are incorporated into this Revolving Note by reference. Capitalized terms not expressly defined herein shall have the meanings given them in the Agreement.

INTEREST RATES.

BASE RATE OPTION. Unless the Borrower chooses the LIBOR Rate Option as defined below, the principal balance outstanding under this Revolving Note will bear interest at an annual rate equal to the Base Rate, floating (the "Base Rate Option"). The Base Rate is the "base" or "prime" rate of interest established by the Bank from time to time.

LIBOR RATE OPTION. Subject to the terms and conditions of the Agreement (including without limitation Section 3.2), the Borrower may elect that all or portions of the principal balance of this Revolving Note bear interest at the LIBOR Rate plus 2.0% (the "LIBOR Rate Option"). Specific reference is made to the "Disbursements And Payments" Section of the Agreement for terms governing the designation of interest periods and rate portions.

The LIBOR Rate will be computed in accordance with the following formula.

$$\text{LIBOR Rate} = \frac{\text{London Interbank Rate}}{1.00 - \text{Reserve Percentage}}$$

Where,

(i) "London Interbank Rate" means the average rate at which U.S. Dollar deposits with a term equal to the applicable LIBOR Interest Period and in an amount equal to the LIBOR Rate Portion are offered to the Bank on the London Interbank Market.

(ii) "Reserve Percentage" means the Federal Reserve System requirement (expressed as a percentage) applicable to the dollar deposits used in calculating the LIBOR Rate above.

REPAYMENT TERMS

INTEREST. Interest will be payable on the last day of each month, beginning May 31, 1996, and at maturity.

PRINCIPAL. Principal will be repayable on September 30, 1997.

PREPAYMENT. The Borrower may prepay all or any portion of principal accruing interest under the Base Rate Option without premium or penalty. Each prepayment of principal accruing interest under the LIBOR Rate Option, whether voluntary or by reason of acceleration, will be accompanied by accrued interest on the prepaid portion and a prepayment premium equal to the amount, if any, by which:

(i) the additional interest that would have been payable on the amount prepaid if it had not been paid until the last day of the relevant LIBOR Interest Period, exceeds

(ii) the interest that would have been recoverable by the Bank by reinvesting the amount prepaid from the prepayment date to the last day of the relevant LIBOR Interest Period in a like kind investment.

ADDITIONAL TERMS AND CONDITIONS. The Borrower agrees to pay all costs of collection, including reasonable attorneys' fees and legal expenses, incurred by the Bank in the event this Revolving Note is not duly paid. Demand, presentment, protest and notice of nonpayment and dishonor of this Revolving Note are expressly waived. This Revolving Note will be governed by the substantive laws of the State of Minnesota.

DAKTRONICS, INC.

BY: /s/ Aelred Kurtenbach

ITS: President

SECOND AMENDMENT TO CREDIT AGREEMENT

THIS SECOND AMENDMENT is made as of the 30 day of September, 1996, and is by and between Daktronics, Inc., a South Dakota corporation (the "Borrower"), and Norwest Bank Minnesota, National Association, a national banking association (the "Bank").

REFERENCE IS HEREBY MADE to that certain Credit Agreement dated as of April 20, 1994, as amended by a First Amendment dated February 13, 1996 (as amended, the "Credit Agreement"), made between the Borrower and the Bank. Capitalized terms not otherwise defined herein shall have the respective meanings ascribed to them in the Credit Agreement.

WHEREAS, the Borrower has requested the Bank to renew the Line to September 30, 1997; and,

WHEREAS, the Bank is willing to grant the Borrower's request, subject to the provisions of this Second Amendment;

NOW, THEREFORE, in consideration of the premises and for other valuable consideration received, it is agreed as follows:

1. Section 1.2 of the Credit Agreement is hereby amended by changing the date referenced in said Section from "September 30, 1996" to "September 30, 1997."

2. Section 3.2 of the Credit Agreement is hereby amended by inserting the following at the end of said Section:

   Notwithstanding any other provisions set forth in this Section 3.2 or in the Revolving Note, commencing May 10, 1996, the Borrower shall not be permitted to elect the LIBOR Rate Option until (i) the Bank has determined, from its review of the Borrower's financial statements and compliance certificates, that the Borrower was in compliance with all of the covenants set forth in Section 6.2 hereof as of October 31, 1996, (ii) the Bank has furnished the Borrower with written notice of such determination, and (iii) as of the date of such notification there exists no event of default described in Section 7 hereof, nor does their exist any event which, with the giving of notice or the passage of time (or both), could become such an event of default.

3. Section 6.1(b) of the Credit Agreement is hereby amended by deleting the term "45 days," where that term appears in said Section, and replacing it with the term "30 days."

4. Section 6.1(c) of the Credit Agreement is hereby amended so that, when read in its entirety, it provides as follows:

   (C) Compliance Certificate and Gross Profit Margin Report. Provide the Bank, within 30 days after the end of each month, (i) an estimated gross profit margin report as of the end of such month, and (ii) a compliance certificate in the form of Exhibit C, signed by an officer of the Borrower, which (A) attests to the accuracy of the financial statements, and (B) certifies and demonstrates that the Borrower remains in compliance with the covenants contained in this Agreement.

5. Section 6.2(a) is hereby amended by changing the first sentence of said Section so that, when read in its entirety, it provides as follows:

   Maintain its Tangible Net Worth at a level equal to or greater than (i) $18,500,000.00 during the period commencing May 10, 1996 through and including April 30, 1997, and (ii) $19,500,000 at all times after April 30, 1997.

6. Section 6.2(b) is hereby amended by changing the first sentence of said Section so that, when read in its entirety, it provides as follows:

   Maintain its ratio of total liabilities to Tangible Net Worth at a level equal to or less than (i) 1.0 to 1.0 at all times during the three-month period ending July 31, 1996, (ii) 1.20 to 1.0 at all times during the six-month period ending January 31, 1997, and (iii) 1.0 to 1.0 at all times after January 31, 1997.

7. Section 6.2(c) of the Credit Agreement is hereby amended by changing the first sentence of said Section so that, when read in its entirety, it

provides as follows:

> Maintain its ratio of current assets to current liabilities at a level equal to or greater than (i) 1.80 to 1.0 at all times during the three-month period ending July 31, 1996, and (ii) 1.4 to 1.0 at all times after July 31, 1996.

8. Section 6.2 of the Credit Agreement is hereby further amended by adding the following as new Section 6.2(d):

   (d) Net Profit. Achieve a net profit after taxes (determined in accordance with Generally Accepted Accounting Principles) at a level equal to or greater than (i) $300,000.00 for the three-month period ending July 31, 1996, (ii) $600,000.00 for the six-month period ending October 31, 1996, (iii) $900,000.00 for the nine-month period ending January 31, 1997, and (iv) $1,200,000.00 for the twelve-month period ending April 30, 1997.

9. Simultaneously with the execution of this Second Amendment, the Borrower shall execute and deliver to the Bank a new promissory note (which, for purposes of this Second Amendment only, shall be referred to herein as the "New Note") in the face amount of $10,000,000.00, and in form and content acceptable to the Bank. The New Note shall replace, but shall not be deemed payment or satisfaction of, the Revolving Note. All references in the Credit Agreement to the "Revolving Note" shall be deemed to mean the New Note.

10. The Borrower hereby represents and warrants to the Bank as follows:

    A. As of the date of this Second Amendment, the outstanding principal balance of the Revolving Note is $8,077,000.00, and accrued but unpaid interest thereon equals $62,271,47.

    B. The Credit Agreement and the Revolving Note constitute valid, legal and binding obligations owed by the Borrower to the Bank, subject to no counterclaim, defense, offset, abatement or recoupment.

    C. As of the date of this Second Amendment, except as expressly waived in writing by the Bank, there exists no event of default described in Section 7 of the Credit Agreement, nor does there exist any event which, with the giving of notice or the passage of time, or both, could become such an event of default.

    D. The execution, delivery and performance of this Second Amendment and the New Note by the Borrower are within its corporate powers, have been duly authorized, and are not in contravention of law or the terms of the Borrower's Articles of Incorporation or By-laws, or of any undertaking to which the Borrower is a party or by which it is bound.

    E. All financial statements delivered to the Bank by or on behalf of the Borrower, including any schedules and notes pertaining thereto, have been prepared in accordance with Generally Accepted Accounting Principles consistently applied, and fully and fairly present the financial condition of the Borrower at the dates thereof and the results of operations for the periods covered thereby, and there have been no material adverse changes in the financial condition or business of the Borrower from August 31, 1996 to the date hereof.

11. Upon request by the Bank, the Borrower shall deliver a Norwest Corporate Certificate of Authority to the Bank dated as of the date of this Second Amendment, and in form and content acceptable to the Bank.

12. Except as expressly modified by this Second Amendment, the Credit Agreement remains unchanged and in full force and effect.

IN WITNESS WHEREOF, the Borrower and the Bank have executed this Second Amendment as of the date first written above.

DAKTRONICS, INC.	NORWEST BANK MINNESOTA, NATIONAL ASSOCIATION
By: /s/ Aelred Kurtenbach	By: /s/ Sharlyn G. Rekenthaler Sharlyn G. Rekenthaler,

Its: President   Vice President

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6-MOS
MAY-03-1997
APR-28-1996
NOV-02-1996
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