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 July 29, 2000

Commission file number
0-23246

DAKTRONICS, INC.
(Exact name of registrant as specified in its charter)

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 August 31, 2000
Common Stock, No par value	8,897,282

Daktronics, Inc. and Subsidiaries

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Part I.
Item 1.

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

ASSETS	JULY 29, 2000 (UNAUDITED)	APRIL 29, 2000
CURRENT ASSETS		
Cash and cash equivalents	$ 3,085	$ 1,217
Accounts receivable less allowance for doubtful accounts of $218 at July 29, 2000 and $232 at April 29, 2000	22,994	23,562
Current maturities of long-term receivables	1,358	1,541
Inventories	16,728	13,849
Costs and estimated earnings in excess of billings on uncompleted contracts	8,547	5,177
Prepaid expenses and other	363	451
Income taxes receivable	--	647
Deferred income taxes	1,418	1,418
Total current assets	54,493	47,862
LONG-TERM RECEIVABLES AND OTHER ASSETS		
Advertising rights	824	824
Long-term receivables, less current maturities	5,692	6,081
Intangible and other assets	709	850
	7,225	7,755
PROPERTY AND EQUIPMENT, at cost		
Land	533	528
Buildings	8,285	8,008
Machinery and equipment	17,138	16,372
Office furniture and equipment	4,812	4,258
Transportation equipment	1,031	970
	31,799	30,136
Less accumulated depreciation	14,080	13,346
	17,719	16,790
	$ 79,437	$ 72,407

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

DAKTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (CONTINUED)
(Dollars in thousands, except per share data)

LIABILITIES AND SHAREHOLDERS' EQUITY	JULY 29, 2000 (UNAUDITED)	APRIL 29, 2000
CURRENT LIABILITIES		
Note payable, bank	$ 8,761	$ 7,202
Current maturities of long-term debt	2,404	2,349
Accounts payable	10,327	7,327
Customer deposits	95	1,721
Accrued expenses	5,659	5,521
Billings in excess of costs and estimated earnings on uncompleted contracts	4,812	3,079
Income taxes payable	653	--
Total current liabilities	32,711	27,199
LONG-TERM DEBT less current maturities	7,274	7,893
DEFERRED INCOME	322	312
DEFERRED INCOME TAXES	772	772
SHAREHOLDERS' EQUITY		
Common stock, no par value Authorized 30,000,000 shares Issued July 29, 2000 8,874,922 shares; April 29, 2000 8,873,542 shares	12,237	12,232
Additional paid-in capital	93	93
Retained earnings	26,037	23,915
	38,367	36,240
Less: Cost of 9,840 treasury shares	(9)	(9)
	38,358	36,231
	$ 79,437	$ 72,407

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

DAKTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Dollars in thousands, except per share data)
(unaudited)

	THREE MONTHS ENDED	
	JULY 29, 2000 (13 WEEKS)	JULY 31, 1999 (13 WEEKS)
Net sales	$ 34,536	$ 31,467
Cost of goods sold	24,211	23,233
Gross profit	10,325	8,234
Operating expenses:		
Selling	4,461	3,273
General and administrative	1,212	913
Product design and development	1,304	1,016
	6,977	5,202
Operating income	3,348	3,032
Nonoperating income (expense):		
Interest income	196	91
Interest expense	(286)	(264)
Other income, net	230	107
Income before income taxes	3,488	2,966
Income tax expense	1,366	1,199
Net income	$ 2,122	$ 1,767
Earnings per share:		
Basic	$ .24	$ .20
Diluted	$ .23	$ .20

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

DAKTRONICS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Dollars in thousands)
(unaudited)

	THREE MONTHS ENDED	
	JULY 29, 2000 (13 WEEKS)	JULY 31, 1999 (13 WEEKS)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 2,122	$ 1,767
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	734	554
Amortization	66	73
Provision for doubtful accounts	12	31
Net change in operating assets and liabilities	(403)	(4,143)
Net cash provided by (used in) operating activities	2,531	(1,718)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(1,663)	(1,583)
Net cash (used in) investing activities	(1,663)	(1,583)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings on note payable	1,559	2,991
Principal payments on long-term debt	(564)	(473)
Proceeds from exercise of stock options	5	--
Net cash provided by financing activities	1,000	2,518
Increase (decrease) in cash and cash equivalents	1,868	(783)
Cash and cash equivalents:		
Beginning	1,217	1,050
Ending	$ 3,085	$ 267

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

(Dollars in thousands, except per share data)

NOTE A. GENERAL

The consolidated financial statements include the accounts of Daktronics, Inc. and its subsidiaries (Company). Intercompany accounts and transactions have been eliminated in consolidation.

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with instructions for Form 10-Q and, accordingly, do not include all information and footnotes required by generally accepted accounting principles for complete financial statements. 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 as of July 29, 2000 and the results of its operations and cash flows for the three months ended July 29, 2000 and July 31, 1999. These results may not be indicative of the results to be expected for the full fiscal year.

These statements should be read in conjunction with the financial statements and footnotes included in the Company's Annual Report on Form 10-K for the year ended April 29, 2000, previously filed with the Commission.

Earnings per common share has been computed on the basis of the weighted-average number of common shares outstanding during each period presented. A reconciliation of the income and common stock share amounts used in the calculation of basic and diluted earnings per share (EPS) for the three months ended July 29, 2000 and July 31, 1999 follows:

	Net Income	Shares	Per Share Amount
For the three months ended July 29, 2000:			
Basic EPS	$ 2,122	8,864,915	$ 0.24
Effect of dilutive securities:			
Exercise of stock options	--	427,011	0.01
Diluted EPS	$ 2,122	9,291,926	$ 0.23
For the three months ended July 31, 1999:			
Basic EPS	$ 1,767	8,739,882	$ 0.20
Effect of dilutive securities:			
Exercise of stock options	--	276,230	--
Diluted EPS	$ 1,767	9,016,112	$ 0.20

On December 7, 1999, the Company declared a two-for-one stock split in the form of a stock dividend of one share of common stock for each one share outstanding, payable to shareholders of record on December 20, 1999. All data related to common shares has been retroactively adjusted based upon the new shares outstanding after the effect of the two-for-one stock split for all periods presented.

NOTE B. INVENTORIES

Inventories consist of the following:

	July 29, 2000	April 29, 2000
Raw materials	$ 7,735	$ 7,403
Work-in-process	3,608	1,341
Finished goods	5,385	5,105
	$ 16,728	$ 13,849

NOTE C. LITIGATION

There are no pending material legal transactions against the Company.

NOTE D. RECENT ACCOUNTING PRONOUNCEMENTS

In December 1999, the staff of the Securities and Exchange Commission issued Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements". SAB No. 101 summarizes some of the staff's interpretations of the application of generally accepted accounting principles to revenue recognition. The Company will adopt SAB No. 101 when required in the fourth quarter of 2001. The Company is in the process of determining the impact the adoption will have on its financial statements.

Item 2.

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

In addition to statements of fact, this report 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, seasonality of business in certain market niches, impact of large orders, management of growth, and other risks noted in the Company's Securities and Exchange Commission (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.

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 sport, 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.

RESULTS OF OPERATIONS

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

	THREE MONTHS ENDED	
	JULY 29, 2000 (13 WEEKS)	JULY 31, 1999 (13 WEEKS)
Net sales	100.0%	100.0%
Cost of goods sold	70.1%	73.8%
Gross profit	29.9%	26.2%
Operating expenses	20.2%	16.5%

Operating income	9.7%	9.6%
Interest income	0.5%	0.3%
Interest expense	(0.8%)	(0.8%)
Other income, net	0.7%	0.3%
Income before income taxes ...	10.1%	9.4%
Income tax expense	4.0%	3.8%
Net income	6.1%	5.6%

NET SALES

Net sales were $34.5 million for the three months ended July 29, 2000 compared to $31.5 million for the three months ended July 31, 1999. The increase in net sales was due primarily to increases in net sales in the auto racing, federation, high school, and major league niches of the sports markets, all niches of the business markets, and the voting and aviation niches of the government markets.

GROSS PROFIT

Gross profit increased to $10.3 million for the three months ended July 29, 2000 from $8.2 million for the three months ended July 31, 1999. The increase was due to increased sales and continued improvement in gross profit percentage of sales as the Company continued its cost improvement programs, including product standardization.

OPERATING EXPENSES

Selling expenses were $4.5 million for the three months ended July 29, 2000 and $3.3 million for the three months ended July 31, 1999. As a percent of sales, selling expenses increased 2.5%. The increase was due to the addition of sales staff and increased selling activity.

General and administrative expenses were $1.2 million for the three months ended July 29, 2000 compared to $913,000 for the three months ended July 31, 1999. The increase was due to increases in salary and personnel to support company growth.

Product design and development expenses increased to $1.3 million for the three months ended July 29, 2000 from $1.0 million for the three months ended July 31, 1999. The increase was due to continued development and improvement of the family of ProStar(R) VideoPlus displays, and the continued expansion and improvement of existing products.

INTEREST INCOME

The Company occasionally sells products on an installment basis or in exchange for advertising revenues from the scoreboard or display, both of which result in long-term receivables. Interest income increased to $196,000 for the three months ended July 29, 2000 from $91,000 for the three months ended July 31, 1999.

INTEREST EXPENSE

Interest expense increased to $286,000 for the three months ended July 29, 2000 from $264,000 for the three months ended July 31, 1999. The increase was the result of an increase in average loan balances.

INCOME TAX EXPENSE

Income tax expense as a percentage of income before income taxes was 39% for the three months ended July 29, 2000 and was 40% for the three months ended July 31, 1999.

NET INCOME

Net income increased to $2.1 million from $1.8 million for the three months ended July 29, 2000 and July 31, 1999, respectively. The increase was due to the increase in net sales and the increase in gross profit percentage.

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 current and future products in existing markets and expand the marketing of its products to new markets.

LIQUIDITY AND CAPITAL RESOURCES

Working capital was $21.8 million at July 29, 2000 and $20.7 million at April 29, 2000. Working capital provided by net income, depreciation and amortization was offset by purchases of property and equipment and repayment of long-term debt. 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 three months ended July 29, 2000 was $2.5 million. Net income of $2.1 million plus depreciation and amortization of $800,000 were offset by an increase in inventories including costs and estimated earnings in excess of billings on uncompleted contracts, an increase in accounts payable and an increase in billings in excess of cost and estimated earnings on uncompleted contracts. Cash used by investing activities consisted of $1.7 million of purchases of property and equipment. Cash provided by financing activities included $1.6 million net borrowings under the Company's line of credit. Cash used for financing activities consisted of $564,000 of repayment of long-term debt.

The Company has used and expects to continue to use cash reserves and bank borrowings to meet its short-term working capital requirements. On large product orders, the time between order acceptance and project completion may extend up to 12 months 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.

The Company's product development activities include the enhancement of existing products and the development of new products from existing technologies. Product development expenses were $1.3 million for the three months ended July 29, 2000 and $1.0 million for the three months ended July 31, 1999. The Company intends to continue to incur these expenditures to develop new display products using various display technologies to offer higher resolution and more cost effective and energy efficient displays. The Company also intends to continue developing software applications for its display controllers to enable these products to continue to meet the needs and expectations of the marketplace.

The Company has a credit agreement with a bank. The credit agreement provides for a $20.0 million line of credit which includes up to $2.0 million for standby letters of credit. The line of credit is at the LIBOR rate plus 1.55% (8.17% at July 29, 2000) and is due on October 1, 2002. As of July 29, 2000, $8.8 million had been drawn on the line of credit and no standby letters of credit had been issued by the bank. The credit agreement is unsecured and requires the Company to meet certain covenants. Financial covenants include the maintenance of tangible net worth of at least $23 million, a minimum liquidity ratio, a limit on dividends and distributions, and a minimum adjusted fixed charge coverage ratio.

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 $100 million in bonded work outstanding. At July 29, 2000, the Company had $3.2 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 needs. The Company anticipates that it will be able to obtain any needed funds under commercially reasonable terms from its current lender. The Company believes that cash from operations, from its existing or increased bank borrowings, and its current working capital will be adequate to meet the cash requirement of its operations in the foreseeable future.

Item 3.

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company does not believe its operations are exposed to significant market risk relating to interest rates or foreign exchange risk.

Part II. Other Information

Item 6. Exhibits and Reports on Form 8-K

b. Exhibit 27 is attached

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, Chairman and CEO

Daktronics, Inc.
(Dr. Aelred J. Kurtenbach, Chairman and CEO)
(Chairman and CEO)

Date September 11, 2000

/s/ Paul J. Weinand, Treasurer

Daktronics, Inc.
(Paul J. Weinand, Treasurer)
(Principal Financial Officer)

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