

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): January 11, 2010

Daktronics, Inc.

(Exact name of registrant as specified in its charter)

South Dakota
(State or other jurisdiction
Incorporation or organization)

0-23246
(Commission
File Number)

46-0306862
(I.R.S. Employer
Identification Number)



DAKTRONICS
201 Daktronics Drive
Brookings, SD 57006

(Address of principal executive office) (zip code)

(605) 692-0200

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Section 7 – Regulation FD

Item 7.01 Regulation FD Disclosure.

Daktronics, Inc. (“Daktronics”) issued a press release announcing that it will be presenting at the 12th Annual Needham Growth Stock Conference on Wednesday, January 13, 2010, in New York, NY regarding its operations and business. The PowerPoint slide presentation to be used during Daktronics’s presentation is furnished as Exhibit 99.1. The press release regarding Daktronics’ presentation at the conference is furnished as Exhibit 99.2.

The information furnished in this report, including the exhibits, shall not be incorporated by reference into Daktronics’ filings with the Securities and Exchange Commission under the Securities Act of 1933 and shall not be deemed “filed” with the SEC for purposes of Section 18 of the Securities Act of 1934.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

99.1 PowerPoint Slides (furnished)

99.2 Press Release (furnished)

SIGNATURE

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, hereunto duly authorized.

DAKTRONICS, INC.

By: /s/ William R. Retterath

William R. Retterath, Chief Financial Officer

Date: January 11, 2010

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	PowerPoint Slides
99.2	News Release dated January 11, 2010 issued by Daktronics, Inc.



Investor Presentation

FY2010

Second Quarter



Cautionary Notice

In addition to statements of fact, this presentation 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, timing and magnitude of future contracts, management of growth, 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.

DAKTRONICS

Why we are No. 1 in our industry - Executing against our mission to be the world leader at informing people through dynamic audio-visual communications systems

- 41 years of proven track record in the industry
- Unparalleled sales and service coverage
- Depth and breadth of product offering
- Complete integrated solution including software
- Engineering capabilities
- Capacity to deliver: 5 plants in the United States

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FINANCIAL SUMMARY



Financial History

(Dollars in thousands except per share data)	FY2005	FY2006	FY2007	FY2008	FY2009	5-Yr CAGR
Sales	\$230,346	\$309,370	\$433,201	\$499,677	\$581,931	22.6%
Operating Income	\$19,436	\$31,815	\$36,915	\$38,243	\$42,617	9.1%
Earnings Per Share	\$0.39	\$0.52	\$0.59	\$0.63	\$0.64	7.8%
Dividend Per Share	-	0.05	0.06	0.07	0.09	

117% Revenue growth over the past 3 years

(Dollars in thousands except per share data)	FY2005	FY2006	FY2007	FY2008	FY2009	5-Yr CAGR
Cash from Operations	\$22,377	\$31,917	\$14,606	\$59,833	\$48,730	18.3%
Capital Expenditures, net	(12,981)	(18,588)	(58,528)	(33,393)	(18,221)	7.0%
Free Cash Flow	\$9,396	\$13,329	\$(43,922)	\$26,440	\$30,509	20.4%

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Historical Perspective: Revenue more than doubled from FY2005 through FY2008 - 30% CAGR

During this timeframe:

- Rapid growth: capacity was the primary constraint
- Added two manufacturing plants, Sioux Falls, and Redwood Falls and reorganized existing plants to a product focus
- Set objective of becoming world class manufacturing organization using “lean” practices

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Accomplishments toward becoming a World Class Manufacturing Organization

- Implementation of lean practices in manufacturing
- Toyota lean practices are the guide for this program
 - Flow lines in every factory
 - Reliability lab, quality engineering
 - Decentralized inventory
 - Standardized product design for “custom” products
 - Implementation of lean product development methods

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FY 2010 Second Quarter YTD Results*

	Six Months Ended		Percent Change
	Oct 31, 2009	Nov 1, 2008	
Net Sales	\$ 228,815	\$ 330,926	-30.9%
Gross Profit	63,632	93,559	
Gross margin	27.8%	28.3%	
Operating Income	12,480	34,600	
Operating margin	5.5%	10.5%	
Net Income	\$ 6,281	\$ 21,923	-71.3%
% of revenue	2.8%	6.6%	
Earnings per share (diluted)	\$ 0.15	\$ 0.53	

*(\$ in thousands, except per share data)

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FY2009 was a two-part story

- First half of year revenues were \$330 million, a \$660 million run rate (10.5% operating margin).
- Second half revenues were \$250 million, or a \$500 million run rate (3.2% operating margin)
- Billboard net sales declined from \$26 million in Q2 of fiscal 2009 to \$3 million in Q4 of fiscal 2009
- Excess capacity in third and fourth quarter hurt the bottom line
- Began cost reduction initiatives in second half of fiscal 2009

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Strong cash position

- Free cash flow
 - FY09 - \$31 million
 - FY10 through Q2 - \$23 million
- \$57 million of net cash at end of FY10 Q2
- Debt free

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Business is Organized in 5 Business Units (“BU”)

- Domestic (includes Canada)
 - Commercial
 - Live Events
 - Schools and Theaters
 - Transportation
- International
- BUs provide focus, but key strategy is to leverage resources across the company

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Commercial Business Unit



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Commercial Overview

Three main areas

- Digital billboard
- National accounts
- Resellers

Main products

- Valo™ digital displays
- GalaxyPro™
- PS-X and HD-X video



27% of FY09 net sales

FY10 net sales down 47% YTD through Q2

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Commercial Overview

Long-term Growth Drivers

- Greater acceptance & increasing use
- Effective advertising medium

Competitors

- Resellers - Optec, Watchfire, EDS
- National Accounts - Optec, Hi-Tech
- Digital Billboards - Yesco, Optotec



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Current Outlook for Commercial

- Expect billboard orders to remain weak through at least calendar 2010
- Adversely impacted by
 - Current economic environment
 - Credit availability
 - Increased price pressure

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Live Events Business Unit



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Live Events Overview

- Large sports venues
 - Professional sports facilities
 - College and university facilities
- Mobile and modular:
 - Rental and staging
 - Touring companies
 - Pari-mutuel
- 46% of net sales in FY09
- FY09 net sales up 60% over FY08
- FY10 net sales down 27% YTD through Q2

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Live Events Long-term Growth Drivers

- Fan experience
- High definition (HD)
- Competition between venues
- Improving price/performance of LED technology
- Revenue generation



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Large Sports Venues - New Construction

- FY2009 was big year for new construction
- Significant increase in spending for display systems in new venues
- Large contracts in FY2009:
 - New Meadowlands Stadium - \$45 million
 - Minnesota Twins - \$8 million
 - Kansas City Royals - \$10 million
 - Cincinnati Reds - \$9 million
 - Kansas City Chiefs - \$9 million
 - University of Minnesota - \$9 million
 - New York Mets - \$11 million
 - New York Yankees - \$20 million
- Few construction projects in FY2010
- Typical volatility in the business
- Economic pressures and competitive environment impacting FY10

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Mobile & Modular



- Designed for ease of use, set-up and tear down

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Live Events Competition

Large Sports Venues

- Mitsubishi, Lighthouse, ANC, Barco, and others
- Competition generally must partner with others to compete with Daktronics breadth of product
- Increasingly competitive environment

Mobile and Modular

- Barco, Lighthouse, Toshiba, Hibino

Seeing increased pricing pressure

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Schools & Theatres Business Unit



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Schools & Theatres Overview

Customers

- Elementary and high schools, junior colleges
- Park and recreation departments
- Theatres

Main Products

- Scoring Systems
- Galaxy® displays
- Vortek® hoist systems

11% of net sales in FY09

Primary funding is through local sponsors and advertising

FY2010 net sales down 6% YTD through Q2

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International Business Unit



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International Overview

- Sales and service offices in Canada, Europe, China, Middle East, and Australia
- Limited manufacturing in China
- 10% of net sales in FY09
- Large project driven
- Similar drivers as rest of business
- Current expectation is for lower sales in FY10 due to economic and competitive factors
- FY10 net sales down 50% YTD through Q2
- Improving pipeline, increased competition and pricing pressure



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Transportation Business Unit



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Transportation Overview

Three main areas:

- Intelligent transportation systems (ITS)
- Aviation, including airports and airlines
- Mass Transit

6% of FY09 net sales

Strong backlog going into FY2010

FY10 net sales up 27% YTD through Q2



Transportation Overview

Long-term Growth Drivers

- Government spending
- Capacity constraints on highways, public transit, airports and parking systems
- Limited ability to build and expand new roads
- Increased air travel
- Work-zone safety

Competitors

- ITS - Skyline, Ledstar
- Aviation - TransLux, AMS
- Increasing competition





LOOKING AHEAD



Maintaining Long-Term Profitable Growth

Ongoing product development - generally 4% of net sales (higher in FY2010)

- New product for existing markets
- Enhance existing products while reducing costs
- Lean development methods

Increase market penetration in existing locations

Continued emphasis on reducing costs and improving quality through lean initiatives

- Improve asset turns (inventory alignment, process improvement)
- Focus on operating margin and free cash flow
- Leverage service (process improvement)

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Managing Through Current

Downturn

Cost reduction is ongoing process, not a one time event

- Overriding objective to reduce cost without harm to
 - Long-term growth opportunities, and
 - Orders
- Goal is to come out of downturn stronger and leaner
- Focus on payroll reductions through attrition, performance and other measures.
- Strategic focus on quality, service and process improvements
- Expect continued declines in costs
- Continue to generate free cash flow
- Maintenance level capital expenditures for FY10

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Outlook Overview - Challenging Factors

- Lighter (\$90 million) backlog going into Q3
- Order bookings in Q3 lagging expectations due to economic factors, impacting Q3 revenue expectations
 - Now apparent that no large (>\$5 million) baseball projects will go forward for installation this season
 - National accounts orders slower than anticipated
 - Large commercial projects slow to close
- Extremely aggressive pricing from competitors, especially new competitors trying to enter the market, is affecting margins

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Outlook Overview - Positive Factors

- Overall cost reduction has been effective to date - achieved 8% operating margin in Q2
- Cost reduction continues as an ongoing process
- Significant ongoing improvements throughout the company on lean initiatives
- Improved competitiveness in Live Events due to:
 - New DVX outdoor video product platform beginning to ship Q4 - - reduced cost, excellent viewing qualities, streamlined manufacturing, increased commonality across the product family.
 - New Show Control software for video systems beginning to ship in Q4

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QUESTIONS





Daktronics Chief Executive Officer to present at the 12th Annual Needham Growth Stock Conference

BROOKINGS, S.D. – Jan. 11, 2010 – Daktronics, Inc. (Nasdaq-DAKT) today announced that Jim Morgan, chief executive officer, will present at the 12th Annual Needham Growth Stock Conference on Wednesday, January 13, 2010 at 8:40 am Eastern at the New York Palace Hotel in New York City, NY. Mr. Morgan will update information regarding the current outlook as well as discuss the company's strategy and business.

The presentation will be webcast live as follows:

Wednesday, January 13, 2010 at 8:40 am Eastern
Webcast: <http://www.wsw.com/webcast/needham35/dakt/>

The webcast will be archived approximately three hours after the event.

About Daktronics

Daktronics has strong leadership positions in, and is the world's largest supplier of, large screen video displays, electronic scoreboards, LED text and graphics displays, and related control systems. The company excels in the control of display systems, including those that require integration of multiple complex 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, Schools and Theatres and Transportation segments. For more information, visit the company's World Wide Web site at: <http://www.daktronics.com>, e-mail the company at investor@daktronics.com, call (605) 692-0200 or toll-free (800) 843-5843 in the United States or write to the company at 201 Daktronics Dr., PO Box 5128 Brookings, S.D. 57006-5128.

Safe Harbor Statement

Cautionary Notice: In addition to statements of historical fact, this news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 and is intended to enjoy the protection of that Act. These forward-looking statements reflect the Company's expectations or beliefs concerning future events. The Company cautions that these and similar statements involve risk and uncertainties which could cause actual results to differ materially from our expectation, including, but not limited to, 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, including its Annual Report on Form 10-K for its 2009 fiscal year and its Quarterly Reports on Form 10-Q for its 2010 first and second fiscal quarters. 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.

For more information contact:

INVESTOR RELATIONS:
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