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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1937**

Date of Report (Date of earliest event reported): August 15, 2007

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**Daktronics, Inc.**

(Exact name of registrant as specified in its charter)

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**South Dakota**  
(State or other jurisdiction  
Incorporation or organization)

**0-23246**  
(Commission  
File Number)

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



**331 32<sup>nd</sup> Ave**  
**Brookings, SD 57006**  
(Address of principal executive office) (zip code)

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

**Not Applicable**  
(Former name or former address, if changed since last report.)

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Item 2.02 Results of Operations and Financial Condition

On August 15, 2007, Daktronics, Inc. (the "Registrant") issued a press release announcing financial results for the first quarter ending July 28, 2007. A copy of the press release is filed herewith as Exhibit 99.1 and is incorporated herein by reference.

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The information furnished in this report, including the exhibit, 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:

(c) Exhibits. The following exhibit is furnished as part of this Report:

99.1 News Release dated August 15, 2007 issued by Registrant regarding first quarter fiscal 2008 results

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### **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: August 15, 2007

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### **EXHIBIT INDEX**

<u>Exhibit No.</u>	<u>Description</u>
99.1	News Release dated August 15, 2007 issued by Daktronics, Inc.



## Daktronics, Inc. Announces First Quarter Results

### *Financial Highlights Include:*

- *Net sales increase 31%*
- *Net income up 43%*
- *Backlog exceeds \$140 million*

Brookings, S.D. – Aug. 15, 2007 - Daktronics, Inc. (Nasdaq - DAKT) today reported fiscal 2008 first quarter net sales of \$120.9 million and net income of \$7.1 million, or \$0.17 per diluted share, compared with first quarter net sales of \$92.2 million and net income of \$5.0 million, or \$0.12 per diluted share, one year ago. Backlog at the end of the quarter was approximately \$142 million, compared with a backlog of approximately \$123 million at the end of the first quarter of fiscal 2007 and \$127 million last quarter.

“We were very pleased with this quarter’s performance,” said Jim Morgan, president and chief executive officer. “Most importantly, we were able to execute at better than expected gross profit margins. The gross margin improvement comes from the benefit of having the capacity expansion mostly behind us and raw material cost savings. This helped offset the lower estimated margins of some of the large sports projects we booked in the fourth quarter of fiscal year 2007. In addition to the margin improvements, the benefit of capacity additions over the past two years was evident this quarter as we were able to respond to customer demand; keeping lead times at desirable levels without stretching our personnel and infrastructure like we were last year at this time. On a final note, this quarter also benefited from our new plant in Redwood Falls, which was on line for the full quarter.”

“At the beginning of the year, we reorganized into four business units to align our resources more closely to the customer and to drive improved financial performance. We also increased our focus on controlling growth in our non-manufacturing labor force, which had been outpacing sales over the past few quarters. During the quarter we were successful in both areas, as we completed the transition to the business unit structure and we kept personnel growth to acceptable levels. While our operating margins are not at our long-term target levels, the results for the first quarter demonstrate that we are headed in the right direction.”

Morgan said, “We are looking forward to occupying our new building in Brookings in the second quarter, which will mark the end of major building projects that we started in fiscal year 2005. The new building will house corporate offices and include administration, our commercial business unit, training and meeting facilities and provide warehouse space which is convertible to manufacturing space. As a result, we expect to see capital expenditures decline in the second half of fiscal year 2008, thereby leading to reductions in our credit needs towards the end of the fiscal year.”

### **Business Outlook**

The company is providing financial guidance for the second quarter of fiscal 2008. Daktronics expects that net sales for the second quarter of fiscal 2008 will be in the range of \$132 million to \$144 million and net earnings will be in the range of \$0.17 to \$0.25 per share. As in the past, this guidance is subject to a number of factors that could cause it to vary.

Morgan concluded, “We believe that our first full quarter with our new business unit structure has positioned us well for customer needs and stronger financial performance through the remainder of the fiscal year. Although the growth rate of the second quarter’s net sales compared to the prior year is expected to be less than the first quarter,

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we believe that our net sales goals for the year remain intact. With the capacity available to us, the strength of our order bookings in the first quarter of fiscal 2008 and our focus on margin improvement and expense control, we believe we are off to a solid start and expect to leverage this performance through the remainder of fiscal 2008.”

**Webcast Information**

The company will host a conference call and webcast to discuss its financial results today at 10:00 am (Central Time). This call will be broadcast live at <http://investor.daktronics.com> and available for replay shortly after the event.

**About Daktronics**

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 displays and control systems. The company excels in the control of large 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 and transportation applications. For more information, visit the company’s World Wide Web site at: <http://www.daktronics.com>, e-mail the company at [investor@daktronics.com](mailto:investor@daktronics.com), call (605) 697-4000 or toll-free (800) 843-5843 in the United States or write to the company at 331 32nd Ave. 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 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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**For more information contact:**

INVESTOR RELATIONS:  
Bill Retterath, Chief Financial Officer  
(605) 697-4000  
[Investor@daktronics.com](mailto:Investor@daktronics.com)

Financial tables are included on the following pages.

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## Daktronics, Inc. and Subsidiaries Consolidated Statements of Income

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

	<b>Three Months Ended</b>	
	<b>July 28, 2007</b>	<b>July 29, 2006</b>
Net sales	\$ 120,923	\$ 92,153
Cost of goods sold	84,044	65,778
<b>Gross profit</b>	<b>36,879</b>	<b>26,375</b>
<b>Operating expenses:</b>		
Selling	14,844	12,446
General and administrative	6,002	3,728
Product design and development	4,756	3,619
	<u>25,602</u>	<u>19,793</u>
<b>Operating income</b>	<b>11,277</b>	<b>6,582</b>
<b>Nonoperating income (expense):</b>		
Interest income	384	645
Interest expense	(426)	(26)
Other income (expense), net	<u>(302)</u>	<u>107</u>
<b>Income before income taxes</b>	<b>10,933</b>	<b>7,308</b>
Income tax expense	3,822	2,321
<b>Net income</b>	<b>\$ 7,111</b>	<b>\$ 4,987</b>
<b>Weighted average shares outstanding:</b>		
Basic	<u>39,638</u>	<u>38,974</u>
Diluted	<u>41,260</u>	<u>41,082</u>
<b>Earnings per share:</b>		
Basic	<u>\$ 0.18</u>	<u>\$ 0.13</u>
Diluted	<u>\$ 0.17</u>	<u>\$ 0.12</u>
Cash dividend paid per share	<u>\$ 0.07</u>	<u>\$ 0.06</u>

## Daktronics, Inc. and Subsidiaries

### Consolidated Balance Sheets

(in thousands)

	July 28, 2007 <u>(unaudited)</u>	April 28, 2007
<b>ASSETS</b>		
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 7,161	\$ 2,590
Accounts receivable, less allowance for doubtful accounts	57,829	56,692
Inventories	50,807	45,835
Costs and estimated earnings in excess of billings	33,551	22,314
Current maturities of long-term receivables	6,848	6,831
Prepaid expenses and other	4,469	5,044
Deferred income taxes	7,854	7,761
Income taxes receivable	—	731
Rental equipment available for sale	190	188
Total current assets	<u>168,709</u>	<u>147,986</u>
Advertising rights, net	3,629	3,830
Long-term receivables, less current maturities	14,079	11,211
Investments in affiliates	8,991	8,762
Goodwill	4,469	4,408
Intangible and other assets	3,314	3,391
Deferred income taxes	73	136
	<u>34,555</u>	<u>31,738</u>
<b>PROPERTY AND EQUIPMENT:</b>		
Land	3,275	3,275
Buildings	41,711	36,822
Machinery and equipment	42,795	38,420
Office furniture and equipment	40,442	37,520
Equipment held for rental	2,891	2,600
Demonstration equipment	6,687	5,939
Transportation equipment	6,681	6,669
	<u>144,482</u>	<u>131,245</u>
Less accumulated depreciation	<u>49,614</u>	<u>45,119</u>
	94,868	86,126
<b>TOTAL ASSETS</b>	<u><u>\$ 298,132</u></u>	<u><u>\$ 265,850</u></u>

**Daktronics, Inc. and Subsidiaries**  
**Consolidated Balance Sheets** (continued)  
(in thousands)

	July 28, 2007 <u>(Unaudited)</u>	April 28, 2007
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES:</b>		
Notes payable, bank	\$ 25,682	\$ 24,615
Accounts payable	39,506	26,094
Accrued expenses and warranty obligations	22,696	21,849
Current maturities of long-term debt and marketing obligations	967	1,002
Billings in excess of costs and estimated earnings	23,423	18,293
Customer deposits	6,922	5,857
Deferred revenue	6,480	5,333
Income taxes payable	3,207	39
Total current liabilities	<u>128,883</u>	<u>103,082</u>
Long-term debt, less current maturities	597	592
Long-term marketing obligations, less current maturities	480	473
Long-term warranty obligations and other payables	5,258	5,366
Deferred income taxes	2,629	2,629
	<u>8,964</u>	<u>9,060</u>
<b>TOTAL LIABILITIES</b>	<b>137,847</b>	<b>112,142</b>
<b>SHAREHOLDERS' EQUITY:</b>		
Common stock	23,298	21,954
Additional paid-in capital	8,223	7,431
Retained earnings	128,810	124,469
Treasury stock, at cost	(9)	(9)
Accumulated other comprehensive loss	(37)	(137)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<u>160,285</u>	<u>153,708</u>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$ 298,132</b>	<b>\$ 265,850</b>

## Daktronics, Inc. and Subsidiaries

### Consolidated Statements of Cash Flows

(in thousands)  
(unaudited)

	Three Months Ended	
	July 28, 2007	July 29, 2006
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net income	\$ 7,111	\$ 4,987
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,505	2,784
Amortization	79	12
Gain on sale of property and equipment	(1)	(1)
Stock-based compensation	608	406
Equity in earnings and losses of investments in affiliates	526	—
Provision for doubtful accounts	28	97
Deferred income taxes, net	(30)	(784)
Change in operating assets and liabilities	6,657	(1,024)
<b>Net cash provided by operating activities</b>	<u>19,483</u>	<u>6,477</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of property and equipment	(13,343)	(7,450)
Cash consideration paid for equity method investments	(750)	(6,008)
Sales (purchases) of marketable securities, net	—	(90)
Proceeds from sale of property and equipment	23	19
<b>Net cash used in investing activities</b>	<u>(14,070)</u>	<u>(13,529)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net borrowings (payments) on notes payable	1,068	—
Proceeds from exercise of stock options and warrants	732	335
Excess tax benefits from stock-based compensation	177	205
Principal payments on long-term debt	(12)	(16)
Dividend Paid	(2,770)	(2,339)
<b>Net cash used in financing activities</b>	<u>(805)</u>	<u>(1,815)</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH	(37)	(127)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	4,571	(8,994)
CASH AND CASH EQUIVALENTS BEGINNING OF PERIOD	<u>2,590</u>	<u>26,921</u>
CASH AND CASH EQUIVALENTS END OF PERIOD	<u>\$ 7,161</u>	<u>\$ 17,927</u>