



FOR IMMEDIATE RELEASE FROM DAKTRONICS, INC.

331 32nd Avenue P.O. Box 5128 Brookings, SD 57006 Phone (605) 697-4000 www.daktronics.com
For more information contact Bill Retterath or Mark Steinkamp at (800) 605-DAKT (3258)

Daktronics, Inc. announces record quarterly sales and earnings

Second quarter sales and earnings highest in company history; backlog at record level for the beginning of the third quarter

Brookings, S.D. – Nov. 19, 2002 - Daktronics, Inc. (Nasdaq - DAKT), a worldwide leader in the design, manufacture, sales and service of large screen video displays, scoreboards and computer-programmable display systems, announced fiscal year 2003 second quarter net sales of \$48.1 million and net income of \$4.0 million or \$.21 per diluted share, compared with second quarter net sales of \$41.6 million and net income of \$2.0 million, or \$.10 per diluted share, one year ago. The quarter's net sales and net income were the highest of any quarter in the company's history.

Net sales, net income and earnings per share for the six months ended Nov. 2, 2002 were \$92.2 million, \$7.2 million and \$.37 per diluted share, respectively, compared to \$81.8 million, \$3.6 million, and \$.19 per diluted share, respectively, for the same period one year ago.

Backlog at the end of the quarter was approximately \$51 million, compared with \$37 million at the end of the second quarter one year ago. The timing of large orders can cause significant fluctuations in the company's backlog. The \$51 million backlog does not include a multi-million dollar order for an integrated display system for Houston's new multi-purpose arena that was announced Nov. 7, 2002.

"We are very pleased with the strong second quarter results," said Jim Morgan, president and CEO of Daktronics. "We started the quarter with a solid backlog and were able to continue the momentum we had at the end of the first quarter. Our business for the quarter included a nice mix of large contracts and standard orders for sport, commercial and transportation customers. Sales from both large contracts and standard orders increased over the previous quarter and increased significantly over the same period one-year ago. Year to date, net sales are up 13 percent and net income has increased 99 percent compared with the first half of fiscal year 2002.

"We had an exceptional quarter with record sales in the sport markets," Morgan said. "There were significant increases in sales to colleges and municipal sports facilities, along with greater sales to the high school market. Our Daktronics Sports Marketing group, which helps facilities secure sponsorship revenue in order to help fund display systems, made major contributions through their efforts at the Fargodome, Southern University, and others. Commercial revenues increased more than a third over the same quarter one year ago, which again demonstrates the appeal of our strong line of standard products for electronic advertising and messaging. Though transportation sales were down for the quarter, we received many new orders this quarter and have built a record backlog for transportation projects. The regionalization of our sales and service is working well for us. Our team is working well together to find new opportunities and secure orders. And our engineering and manufacturing groups are meeting customer needs with great products delivered on time.

"Our backlog is solid and we remain confident in our ability to effectively deliver Daktronics products and services to customers. We estimate net sales for the third quarter of fiscal year 2003 will be in the range of

\$36 million to \$41 million, with earnings in the range of \$.05 to \$.11 per share. We expect third quarter results to be much better than the same period last year thanks to a strong backlog of projects scheduled for delivery in the spring of 2003,” Morgan said.

Significant projects booked in the second quarter include systems for Rentschler Field, Hartford, Conn.; Orleans Arena, Las Vegas, Nev.; Lawrence Joel Coliseum, Winston-Salem, N.C.; Florida Citrus Bowl, Orlando, Fla.; Staples Center, Los Angeles, Calif.; Wayne State University, Detroit, Mich.; Fleet Center, Boston, Mass.; New Orleans Arena, New Orleans, La.; Larimer County Arena, Fort Collins, Colo.; San Diego Padres Ballpark, San Diego, Calif.; East Lake Baseball, East Lake, Ohio; Cobb Marietta Exhibit Hall, Atlanta, Ga.; Gulf Coast Medical Center, Biloxi, Miss.; Fred Martin Motor Company, Barberton, Ohio; North Carolina DOT; Connecticut DOT; New Jersey DOT; Virginia DOT; Quebec Ministry of Transportation; City of Minneapolis; St. Louis International Airport; and the Maryland Aviation Authority.

“Although we saw a decline in gross margin from 34.7 percent in the first quarter to 32.8 percent in the second quarter, we achieved net income of 8.4% of net sales,” said Bill Retterath, chief financial officer. “This is the second consecutive quarter with net income in excess of 7 percent. The higher margins continued as a result of the same factors from the first quarter that carried over into the second quarter, including the efforts of our employees in sales, manufacturing, purchasing, engineering and other areas in the company. We continue to benefit from slightly higher standard order volume and significant improvements in raw materials pricing. We expect margins will be down again in the third quarter, although for the year, we expect levels higher than in fiscal year 2002.

“Operating expenses as a percent of sales are at the lowest levels in two years. Better control over operating expenses, coupled with higher margins and our focus on cash flow, contributed to cash provided by operations in excess of \$7 million for the quarter,” Retterath said.

The company will web cast its quarterly conference call at 10:00 am (central) on Wednesday, Nov. 20. The conference call can be accessed through <http://www.daktronics.com> or www.companyboardroom.com.

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 display 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.

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.

-- MORE --

Financial tables are included on the following pages.

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

	<u>Three Months Ended</u>		<u>Six Months Ended</u>	
	<u>November 2, 2002 (13 weeks)</u>	<u>October 27, 2001 (13 weeks)</u>	<u>November 2, 2002 (27 weeks)</u>	<u>October 27 2001 (26 weeks)</u>
Net Sales	\$ 48,074	\$ 41,572	\$ 92,181	\$ 81,819
Cost of goods sold	32,288	28,993	61,071	58,012
Gross profit	<u>15,786</u>	<u>12,579</u>	<u>31,110</u>	<u>23,807</u>
Operating expenses				
Selling	5,974	5,495	12,781	10,817
General and administrative	1,683	1,772	3,335	3,339
Product design and development	1,721	1,764	3,551	3,422
Total operating expenses	<u>9,378</u>	<u>9,031</u>	<u>19,667</u>	<u>17,578</u>
Operating income	<u>6,408</u>	<u>3,548</u>	<u>11,443</u>	<u>6,229</u>
Nonoperating income (expense)				
Interest income	148	190	332	364
Interest expense	(226)	(442)	(481)	(843)
Other income (expense), net	<u>71</u>	<u>(9)</u>	<u>265</u>	<u>70</u>
Income before income taxes and minority interest	<u>6,401</u>	<u>3,287</u>	<u>11,559</u>	<u>5,820</u>
Income tax expense	<u>2,376</u>	<u>1,238</u>	<u>4,400</u>	<u>2,202</u>
Income before minority interest	<u>4,025</u>	<u>2,049</u>	<u>7,159</u>	<u>3,618</u>
Minority interest in income of subsidiary	<u>—</u>	<u>(33)</u>	<u>—</u>	<u>(28)</u>
NET INCOME	<u>\$ 4,025</u>	<u>\$ 2,016</u>	<u>\$ 7,159</u>	<u>\$ 3,590</u>
Earnings per share				
Basic	<u>\$ 0.22</u>	<u>\$ 0.11</u>	<u>\$ 0.39</u>	<u>\$ 0.20</u>
Diluted	<u>\$ 0.21</u>	<u>\$ 0.10</u>	<u>\$ 0.37</u>	<u>\$ 0.19</u>

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

	<u>November 2, 2002</u> (unaudited)	<u>April 27, 2002</u> (audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 8,991	\$ 2,097
Accounts receivable, less allowance for doubtful accounts	19,410	17,878
Current maturities of long-term receivables	1,961	2,515
Inventories	16,248	16,472
Costs and estimated earnings in excess of billings	13,074	10,277
Prepaid expenses and other	606	524
Deferred income taxes	2,980	2,784
Total current assets	<u>63,270</u>	<u>52,547</u>
Property and equipment, net	25,173	26,845
Advertising rights, net	415	489
Long term receivables, less current maturities	4,363	5,366
Goodwill, net of accumulated amortization	1,043	1,061
Intangible and other assets, other than goodwill, net	955	1,038
TOTAL ASSETS	<u>\$ 95,219</u>	<u>\$ 87,346</u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES		
Notes payable, bank	\$ 173	\$ 51
Accounts payable	8,229	6,690
Accrued expenses	7,008	7,337
Current maturities of long-term debt	3,997	4,254
Billings in excess of costs and estimated earnings	4,465	2,944
Customer deposits	1,245	2,185
Income tax payable	1,074	733
Total current liabilities	<u>26,191</u>	<u>24,194</u>
Long-term debt, less current maturities	7,631	9,574
Deferred income	1,296	711
Deferred income taxes	1,117	1,282
Total liabilities	<u>10,044</u>	<u>11,567</u>
TOTAL LIABILITIES	<u>36,235</u>	<u>35,761</u>
MINORITY INTEREST IN SUBSIDIARY	<u>84</u>	<u>84</u>
SHAREHOLDERS' EQUITY		
Common stock	13,716	13,533
Additional paid-in capital	561	505
Retained earnings	44,650	37,492
Less cost of treasury stock	(9)	(9)
Accumulated other comprehensive loss, foreign currency translation adjustment	(18)	(20)
TOTAL SHAREHOLDERS' EQUITY	<u>58,900</u>	<u>51,501</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 95,219</u>	<u>\$ 87,346</u>