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 January 29, 2000

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 January 31, 2000
Common Stock, No par value	8,866,966

Daktronics, Inc.

Table of Contents

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

ASSETS	JANUARY 29, 2000 (UNAUDITED)	MAY 1, 1999
CURRENT ASSETS		
Cash and cash equivalents	$ 416	$ 1,050
Accounts receivable less allowance for doubtful accounts of $234 at January 29, 2000 and $212 at May 1, 1999	16,059	19,832
Current maturities of long-term receivables	2,014	2,300
Inventories	15,277	13,864
Costs and estimated earnings in excess of billings on uncompleted contracts	14,211	5,374
Prepaid expenses and other	5	311
Deferred income tax benefit	1,139	1,476
Total current assets	$ 49,121	$ 44,207
LONG-TERM RECEIVABLES AND OTHER ASSETS		
Advertising rights	$ 825	$ --
Long-term receivables, less current maturities	4,238	6,048
Intangible assets and other	978	621
	$ 6,041	$ 6,669
PROPERTY AND EQUIPMENT, at cost		
Land	$ 532	$ 532
Buildings	7,506	5,459
Machinery and equipment	16,768	14,036
Office furniture and equipment	2,946	1,997
Transportation equipment	994	744
	$ 28,746	$ 22,768
Less accumulated depreciation	12,698	11,025
	$ 16,048	$ 11,743
	$ 71,210	$ 62,619

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

DAKTRONICS, INC. AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS (CONTINUED)
(In thousands, except for share data)

LIABILITIES AND SHAREHOLDERS' EQUITY	JANUARY 29, 2000 (UNAUDITED)	MAY 1, 1999
CURRENT LIABILITIES		
Notes payable, bank	$ 10,490	$ 2,659
Current maturities of long-term debt	1,951	1,951
Accounts payable	8,662	8,815
Customer deposits	112	1,292
Accrued expenses	4,424	5,293
Billings in excess of costs and estimated earnings on uncompleted contracts	2,087	2,970
Income taxes payable	370	635
Total current liabilities	$ 28,096	$ 23,615
LONG-TERM DEBT		
Less current maturities	$ 7,074	$ 8,275
DEFERRED INCOME	$ 516	$ 602
DEFERRED INCOME TAXES	$ 515	$ 626
SHAREHOLDERS' EQUITY		
Common stock, no par value Authorized 30,000,000 shares Issued January 29, 2000 8,866,962 shares May 1, 1999 8,749,722 shares	$ 12,210	$ 11,819
Retained earnings	22,808	17,691
	$ 35,018	$ 29,510
Less:		
Cost of 9,840 treasury shares	(9)	(9)
	$ 35,009	$ 29,501
	$ 71,210	$ 62,619

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

DAKTRONICS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except earnings per share)
(unaudited)

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	JANUARY 29, 2000 (13 WEEKS)	JANUARY 30, 1999 (13 WEEKS)	JANUARY 29, 2000 (39 WEEKS)	JANUARY 30, 1999 (39 WEEKS)
Net sales	$ 27,159	$ 17,681	$ 95,753	$ 64,150
Cost of goods sold	19,610	12,721	70,223	46,724
Gross profit	$ 7,549	$ 4,960	$ 25,530	$ 17,426
Operating expenses:				
Selling	$ 3,593	$ 2,738	$ 10,606	$ 8,429
General and administrative	1,169	724	3,263	2,561
Product design and development	1,023	933	3,009	2,602
	$ 5,785	$ 4,395	$ 16,878	$ 13,592
Operating income	$ 1,764	$ 565	$ 8,652	$ 3,834
Nonoperating income (expense):				
Interest income	239	221	522	514
Interest expense	(399)	(255)	(968)	(674)
Other income	72	68	372	196
Income before income taxes	$ 1,676	$ 599	$ 8,578	$ 3,870
Income tax expense	670	243	3,461	1,557
Net income	$ 1,006	$ 356	$ 5,117	$ 2,313
Earnings per share:				
Basic (1)	$ .11	$ .04	$ .58	$ .27
Diluted (1)	$ .11	$ .04	$ .56	$ .26

(1) Share and per share amounts for the three and nine months ended January 30, 1999 have been restated to reflect a two-for-one stock split in January 2000.

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

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

	NINE MONTHS ENDED	
	JANUARY 29, 2000 (39 WEEKS)	JANUARY 30, 1999 (39 WEEKS)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 5,117	$ 2,313
Adjustments to reconcile net income to net cash (used in) operating activities:		
Depreciation	1,673	1,300
Amortization	232	240
Provision for doubtful accounts	22	92
Change in operating assets and liabilities	(8,132)	(8,433)
Net cash (used in) operating activities	$ (1,088)	$ (4,488)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	$ (5,978)	$ (3,186)
Other, net	(589)	155
Net cash (used in) investing activities	$ (6,567)	$ (3,031)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings on notes payable	$ 7,831	$ 3,118
Proceeds from lease	390	--
Proceeds from long-term debt	--	5,000
Principal payments on long-term debt	(1,591)	(614)
Proceeds from exercise of stock options	391	94
Net cash provided by financing activities	$ 7,021	$ 7,598
Increase (decrease) in cash and cash equivalents	$ (634)	$ 79
Cash and cash equivalents:		
Beginning	1,050	148
Ending	$ 416	$ 227

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.

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 and its subsidiary as of January 29, 2000 and the results of its operations and cash flows for the nine months ended January 29, 2000 and January 30, 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 May 1, 1999, previously filed with the Commission.

Earnings per share are calculated in accordance with the provisions of FASB Statement No. 128, "Earnings Per Share". A reconciliation of the income and common stock share amounts used in the calculation of basic and diluted earnings per share for the nine months ended January 29, 2000 and January 30, 1999 follows (amounts in thousands except per share amounts):

	Net Income	Shares	Per Share Amount
For the nine months ended January 29, 2000:			
Basic EPS	$ 5,117	8,792	$ .58
Effect of dilutive securities:			
Exercise of stock options	--	376	(.02)
Diluted EPS	$ 5,117	9,168	$ .56
For the nine months ended January 30, 1999:			
Basic EPS (1)	$ 2,313	8,680	$ 0.27
Effect of dilutive securities:			
Exercise of stock options (1)	--	240	(.01)
Diluted EPS (1)	$ 2,313	8,920	$ 0.26

(1) Share and per share amounts for the nine months ended January 30, 1999 have been restated to reflect a two-for-one stock split in January 2000.

NOTE B. INVENTORIES

Inventories consist of the following (in thousands):

	January 29, 2000	May 1, 1999
Raw materials	$ 8,681	$ 8,465
Work-in-process	2,339	1,596
Finished goods	4,257	3,803
	$ 15,277	$ 13,864

NOTE C. LITIGATION

On February 17, 1999, Daktronics was sued in the circuit court of Hillsborough County, Florida by the Buccaneers Football Stadium Limited Partnership, an affiliated company of the Tampa Bay Buccaneers football team. The lawsuit alleged that the video displays installed at Raymond James Stadium in Tampa, Florida did not meet the contract requirements. The lawsuit sought either to rescind the contract under which Daktronics furnished the scoring and display equipment for the Stadium and obtain the return of all funds paid or to obtain damages for breach of contract. The Tampa Sports Authority owns Raymond James Stadium and was not a plaintiff in the action.

The contract, valued at approximately $7.9 million, included two large end zone scoreboards with video displays, sideline auxiliary scoreboards, advertising panels and installation. Daktronics had received approximately $3.1 million in payments under the contract and had unpaid invoices outstanding in the amount of approximately $2.9 million. In addition, the plaintiff was in default on a payment in the amount of $257,000 under a promissory note to Daktronics as part of the contract. Daktronics believed those payments had been unreasonably withheld and had filed a counterclaim for these payments, related interest and acceleration of remaining payments under the promissory note.

In January 2000, Daktronics and Tampa Bay Buccaneers Entities reached an out of court settlement. The settlement did not have a material effect on the current financial statements.

NOTE D. STOCK SPLIT

On December 7, 1999, Daktronics approved a two-for-one stock split of the Company's common stock in the form of a stock dividend. Stockholders of record at the close of business on December 20, 1999 received one additional share for each share of common stock on that date of record. Daktronics stock began trading on the split-adjusted basis on January 10, 2000.

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 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 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 of the fiscal year 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 Operations for the periods indicated:

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	JANUARY 29, 2000 (13 WEEKS)	JANUARY 30, 1999 (13 WEEKS)	JANUARY 29, 2000 (39 WEEKS)	JANUARY 30, 1999 (39 WEEKS)
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	72.2%	71.9%	73.3%	72.8%
Gross profit	27.8%	28.1%	26.7%	27.2%
Operating expenses	21.3%	24.9%	17.7%	21.2%
Operating income	6.5%	3.2%	9.0%	6.0%
Interest income	0.9%	1.2%	0.5%	0.8%
Interest expense	(1.5%)	(1.4%)	(1.0%)	(1.1%)
Other income	0.3%	0.4%	0.4%	0.3%
Income before income taxes	6.2%	3.4%	8.9%	6.0%
Income tax expense	2.5%	1.4%	3.6%	2.4%
Net income	3.7%	2.0%	5.3%	3.6%

NET SALES

Net sales were $27.2 million and $95.8 million for the three and nine months ended January 29, 2000 compared to $17.7 million and $64.2 million for the three and nine months ended January 30, 1999. The increase in net sales was primarily the result in increases in sales in the college and university, and major league niches of the sports markets, and the commercial market. The increases in these market niches were primarily the result of increased Pro-Star(TM) Video Plus sales.

Based on current backlog and customer quotations, the Company believes it will be a challenge to exceed the sales and earnings of the 1999 fourth quarter for the fourth quarter of 2000.

GROSS PROFIT

Gross profit increased 50% to $7.5 million for the three months ended January 29, 2000 from $5.0 million for the three months ended January 30, 1999 while gross profit as a percentage of net sales decreased from 28.1% to 27.8% respectively.

Gross profit increased 47% to $25.5 million for the nine months ended January 29, 2000 from $17.4 million for the nine months ended January 30, 1999 while gross profit as a percentage of net sales decreased from 27% to 26.7% respectively.

OPERATING EXPENSES

Selling expenses increased to $3.6 million for the three months ended January 29, 2000 from $2.7 million for the three months ended January 30, 1999. Selling expenses increased to $10.6 million for the nine months ended January 29, 2000 from $8.4 million for the nine months ended January 30, 1999. The increases were due primarily to the addition of sales staff and increased selling activity.

General and administrative expenses increased to $1.2 million and $3.3 million for the three and nine months ended January 29, 2000 from $724,000 and $2.6 million for the three and nine months ended January 30, 1999. The increases were due to increases in salary and personnel to support company growth.

Product design and development expenses were $1.0 million and $3.0 million for the three and nine months ended January 29, 2000 and $933,000 and $2.6 million for the three and nine months ended January 30, 1999. The Company continues to improve the LED video product, and upgrade and expand the 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 was $239,000 and $522,000 for the three and nine months ended January 29, 2000 and $221,000 and $514,000 for the three and nine months ended January 30, 1999.

INTEREST EXPENSE

Interest expense increased to $399,000 and $968,000 for the three and nine month periods ended January 29, 2000 from $255,000 and $674,000 for the three and nine months ended January 30, 1999. The increases were due to increases in average loan balances.

INCOME TAX EXPENSE

Income taxes as a percentage of income before income taxes were approximately 40% for the nine months ended January 29, 2000 and January 30, 1999.

NET INCOME

Net income was $1 million and $5.1 million for the three and nine months ended January 29, 2000 compared to $356,000 and $2.3 million for the three and nine months ended January 30, 1999. The increase was due to an increase in net 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 $21 million at January 29, 2000 and $20.6 million at May 1, 1999. 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 used by operations for the nine months ended January 29, 2000 was $1.1 million. Net income of $5.1 million plus depreciation and amortization of $1.9 million were offset by an increase in inventories including costs and estimated earnings in excess of billings on uncompleted contracts. Cash used by investing activities consisted of $6 million of purchases of property and equipment. Cash provided from financing activities included $7.8 million of net borrowings under the Company's line of credit, borrowing on a lease of $390,000 and $391,000 in proceeds from the exercise of stock options. Cash used for financing activities consisted of $1.6 million 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 acceptance and 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 $3 million for the nine months ended January 29, 2000 and $2.6 million for the nine months ended January 30, 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. Daktronics 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 $15.0 million line of credit which includes up to $2.0 million for standby letters of credit. The line of credit is at LIBOR rate plus 1.55% (7.36% at January 29, 2000) and is due on October 1, 2001. As of January 29, 2000, $10.5 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 a surety company that provides for an aggregate of $50.0 million in bonded work outstanding. At January 29, 2000, the Company had $13.2 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 facility. 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 credit facility, and its current working capital will be adequate to meet the cash requirements of its operations in the foreseeable future.

BUSINESS RISKS AND UNCERTAINTIES

A number of risks and uncertainties exist which could impact the Company's future operating results. These uncertainties include, but are not limited to, general economic conditions, competition, the Company's success in developing new products and technologies, market acceptance of new products, and other factors, including those set forth in the Company's SEC filings, including its current report on Form 10-K for the year ended May 1, 1999.

YEAR 2000 ISSUES

Many computer programs used only two digits to identify a year in the date field, with the result that data referring to the Year 2000 and subsequent years may be misinterpreted by those programs. The Company did not suffer any disruption of operations from its own computer applications or from any of its key suppliers.

RECENT ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board and the Accounting Standards Executive Committee have issued certain Statements of Financial Accounting Standards and Statements of Position, respectively, which have required effective dates occurring after the Company's May 1, 1999 year end. The Company's financial statements, including the disclosures therein, are not expected to be materially affected by those accounting pronouncements.

PART II-OTHER INFORMATION

Item 1-LEGAL PROCEEDINGS

The information set forth in the Notes to Financial Statements-Legal Proceedings on page 13 of the January 29, 2000 10-Q is incorporated herein by reference.

Item 2-CHANGES IN SECURITIES

On December 29, 1999, 22,000 warrants were issued to 21 individuals and/or entities in partial consideration of the asset purchase of FibreLite. These warrants are exercisable for shares of common stock at a price of $25.25 per share (pre-split price) during the period of December 30, 1999 through December 30, 2006. There are restrictions on these warrants, which solidify the exemption of these securities.

These securities were exempt from registration under the Securities Act of 1933, Section 4(2) as not involving any public offerings.

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 March 7, 2000

/s/ Paul J. Weinand, Treasurer

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

3-MOS
APR-29-2000
OCT-31-1999
JAN-29-2000
416
0
16,293
234
15,277
49,121
28,746
12,698
71,210
28,096
0
0
0
12,210
22,808
71,210
95,753
95,753
70,223
70,223
16,878
0
968
8,578
3,461
5,117
0
0
0
5,117
.58
.56