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 November 1, 1997

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 November 28, 1997
Common Stock, No par value	4,306,420

Daktronics, Inc.

Table of Contents

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

ASSETS	NOVEMBER 1, 1997 (UNAUDITED)	MAY 3, 1997
CURRENT ASSETS		
Cash and cash equivalents	$ 179	$ 118
Accounts receivable less allowance for doubtful accounts of $205 at Nov 1, 1997 and $194 at May 3, 1997	9,781	11,889
Current maturities of long-term receivables	930	1,072
Inventories	8,518	8,025
Costs and estimated earnings in excess of billings on uncompleted contracts	5,044	1,251
Prepaid expenses and other	143	129
Deferred income tax benefit	1,185	1,185
Total current assets	$25,780	$23,669
LONG-TERM RECEIVABLES AND OTHER ASSETS		
Advertising rights	$ 1,306	$ 1,766
Long-term receivables, less current maturities	3,477	3,038
Intangible assets and other	1,010	1,216
	$ 5,793	$ 6,020
PROPERTY AND EQUIPMENT, at cost		
Land	$ 492	$ 492
Buildings	4,429	4,283
Machinery and equipment	10,548	9,975
Office furniture and equipment	281	242
Transportation equipment	604	546
	$16,354	$15,538
Less accumulated depreciation	8,775	8,091
	$ 7,579	$ 7,447
	$39,152	$37,136

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

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

LIABILITIES AND SHAREHOLDERS' EQUITY	NOVEMBER 1, 1997 (UNAUDITED)	MAY 3, 1997
CURRENT LIABILITIES		
Notes payable, bank	$ 3,384	$ 2,675
Current maturities of long-term debt	479	713
Accounts payable	4,444	4,089
Accrued expenses	3,865	2,892
Billings in excess of costs and estimated earnings on uncompleted contracts	1,436	1,075
Accrued loss on uncompleted contracts	--	399
Income taxes payable	403	903
Total current liabilities	$ 14,011	$ 12,746
LONG-TERM DEBT, less current maturities	$ 1,269	$ 1,706
DEFERRED INCOME	$ 571	$ 481
DEFERRED INCOME TAXES	$ 453	$ 453
SHAREHOLDERS' EQUITY		
Common stock, no par value Authorized 15,000,000 shares Issued 4,311,340 shares	$ 11,680	$ 11,680
Retained earnings	11,177	10,079
	$ 22,857	$ 21,759
Less: Cost of 4,920 treasury shares	(9)	(9)
	$ 22,848	$ 21,750
	$ 39,152	$ 37,136

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

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

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	NOVEMBER 1, 1997 (13 WEEKS)	NOVEMBER 2, 1996 (13 WEEKS)	NOVEMBER 1, 1997 (26 WEEKS)	NOVEMBER 2, 1996 (27 WEEKS)
Net sales	$ 16,936	$ 16,257	$ 32,704	$ 33,279
Cost of goods sold	12,049	12,184	23,809	24,798
Gross profit	$ 4,887	$ 4.073	$ 895	$ 8,481
Operating expenses:				
Selling	$ 2,293	$ 2,031	$ 4,500	$ 4,087
General and administrative	793	666	1,512	1,315
Product design and development	532	560	1,160	1,131
	$ 3,618	$ 3,257	$ 7,172	$ 6,533
Operating income	$ 1,269	$ 816	$ 1,723	$ 1,948
Nonoperating income (expense):				
Interest income	160	93	256	186
Interest expense	(99)	(233)	(212)	(437)
Other income	44	50	51	110
Income before income taxes	$ 1,374	$ 726	$ 1,818	$ 1,807
Income tax expense	545	283	720	724
Net income	$ 829	$ 443	$ 1,098	$ 1,083
Earnings per share	$ .19	$ .11	$ .25	$ .26
Weighted average number of common and common equivalent shares	4,365	4,210	4,338	4,219

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

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

	SIX MONTHS ENDED NOVEMBER 1, 1997 (26 weeks)	SIX MONTHS ENDED NOVEMBER 2, 1996 (27 weeks)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 1,098	$ 1,083
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	684	583
Amortization	440	138
Provision for doubtful accounts	9	66
Change in operating assets and liabilities	(1,619)	(1,099)
Net cash provided by operating activities	$ 612	$ 771
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	$ (816)	$(1,205)
Proceeds from sale of real estate held for sale	--	1,126
Other, net	227	32
Net cash (used in) investing activities	$ (589)	$ (47)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings on notes payable	$ 709	$ 314
Principal payments on long-term debt	(671)	(1,079)
Net cash provided by (used in) financing activities	$ 38	$ (765)
Increase (decrease) in cash and cash equivalents	$ 61	$ (41)
Cash and cash equivalents:		
Beginning	118	218
Ending	$ 179	$ 177

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.

Earnings per common and common equivalent share are calculated by dividing the earnings for the period by the weighted average number of common and common equivalent shares outstanding during the period, which includes the dilutive effect of outstanding stock options and warrants.

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 November 1, 1997 and the results of its operations for the three months and six months and cash flows for the six months ended November 1, 1997 and November 2, 1996. These results may not be indicative of the results to be expected for the full fiscal year.

NOTE B. INVENTORIES

Inventories consist of the following (in thousands):

	November 1, 1997	May 3, 1997
Raw materials..................	$ 4,332	$ 4,638
Work-in-process................	2,860	1,168
Finished goods.................	1,326	2,219
	$ 8,518	$ 8,025

NOTE C. LITIGATION

On May 4, 1995, the Company was served with a complaint alleging that the Company infringed on the plaintiff's patent rights. On November 5, 1997, the case was dismissed, however the plaintiff still has the right to appeal the decision. Based on the opinion of the Company's patent counsel, management of the Company believes that there is no infringement and intends to continue to defend the litigation vigorously should the matter be appealed. The Company's trial counsel is unable to evaluate the likelihood of an unfavorable outcome or the potential range of loss, if any.

Another party has asserted the Company has infringed one certain patent. The Company commenced an action seeking a declaratory judgment that the patent is invalid and not infringed by the Company. Based on the opinion of the Company's patent counsel, management of the Company believes there has been no infringement. The Company's trial counsel is unable to evaluate the likelihood of an unfavorable outcome or the potential range of loss, if any.

During the year ended May 3, 1997, a lawsuit was brought by another party alleging the Company breached contracts, committed tortious interference with contract, intentionally inflicted emotional distress and is responsible for compensatory and punitive damages. On October 28, 1997 a jury awarded the plaintiff exactly what the Company had presented as owing the plaintiff for royalties and commissions which was previously accrued by the Company.

The Company has recorded estimated legal costs to be incurred in connection with litigation described above.

ITEM 2. FINANCIAL REVIEW

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

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 end on the Saturday closest to July 31, October 31 and January 31. The fiscal year ending May 3, 1997, was a 53-week year.

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		SIX MONTHS ENDED	
	NOVEMBER 1, 1997 (13 WEEKS)	NOVEMBER 2, 1996 (13 WEEKS)	NOVEMBER 1, 1997 (26 WEEKS)	NOVEMBER 2, 1996 (27 WEEKS)
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	71.1%	75.0%	72.8%	74.5%
Gross profit	28.9%	25.0%	27.2%	25.5%
Operating expenses	21.4%	20.0%	21.9%	19.6%
Operating income	7.5%	5.0%	5.3%	5.9%
Interest income	0.9%	0.6%	0.8%	0.6%
Interest expense	(0.6%)	(1.4%)	(0.6%)	(1.3%)
Other income	0.3%	0.3%	0.1%	0.3%
Income before income taxes	8.1%	4.8%	5.6%	5.5%
Income tax expense	3.2%	1.7%	2.2%	2.2%
Net income	4.9%	2.7%	3.4%	3.3%

NET SALES

Net sales were $16.9 million and $32.7 million for the three and six months ended November 1, 1997, compared to $16.3 million and $33.3 million for the three and six months ended November 2, 1996. The small decrease in net sales for the six month period was the result of decreases in net sales in the Federation and major league niches of the sports markets which were partially offset by increased sales in most of the other niches in the sports markets. The decrease in the federation niche was due to sales relating to the 1996 Summer Olympics in the first six months of fiscal 1997. The decrease in the major league niche was the result of fewer stadium projects in that market.

Based on current backlog and customer quotations, the Company believes that net sales for the last six months of fiscal year 1998 should exceed the last six months of fiscal year 1997.

GROSS PROFIT

Gross profit increased 20% from $4.1 million for the three months ended November 2, 1996 to $4.9 million for the three months ended November 1, 1997. Gross profit as a percentage of net sales was 25.1% for the three months ended November 2, 1996 compared to 28.9% for the three months ended November 1, 1997. The increase was the result of higher gross profit margins in the sports and business markets. Primarily a result of the Company's standardization program.

Gross profit increased 5% from $8.5 million for the six months ended November 2, 1996 to $8.9 million for the six months ended November 1, 1997. Gross profit as a percentage of net sales was 25.5% for the six months ended November 2, 1996, compared to 27.2 % for the six months ended November 1, 1997. The increase for the six month period was the result of the same conditions previously mentioned.

Due in part to the impact of large orders and the amount of subcontracting work associated with installation of these products, the Company expects that its gross profit margin will continue to fluctuate in future periods.

OPERATING EXPENSES

Selling expenses increased 13% from $2.0 million for the three months ended November 2, 1996, to $2.3 million for the three months ended November 1, 1997. Selling expenses increased 10% from $4.1 million for the six months ended November 2, 1996 to $4.5 million for the six months ended November 1, 1997. The increases were due primarily to the addition of sales staff and increased selling activity.

General and administrative expenses increased from $666,000 and $1.3 million for the three and six months ended November 2, 1996 to $793,000 and $1.5 million for the three and six months ended November 1, 1997. The increases were due to increases in salary and personnel to support company growth.

Product design and development was $560,000 and $1.1 million for the three and six months ended November 2, 1996 and $532,000 and $1.2 million for the three and six months ended November 1, 1997.

INTEREST INCOME

The Company occasionally sells products on an installment basis or in exchange for advertising revenues from the scoreboard or display, both which result in long-term receivables. Interest income increased from $93,000 and $186,000 for the three and six months ended November 2, 1996 to $160,000 and $256,000 for the three and six months ended November 1, 1997. The increase was due to higher average balances of long-term receivables.

INTEREST EXPENSE

Interest expense decreased from $233,000 and $437,000 for the three and six month periods ended November 2, 1996 to $99,000 and $212,000 for the three and six months ended November 1, 1997. The decrease was due to a decrease in average loan balances.

INCOME TAX EXPENSE

Income taxes as a percentage of income before income taxes were 40% for the six months ended November 2, 1996 and November 1, 1997 respectively.

NET INCOME

Net income was $443,000 and $1.1 million for the three and six months ended November 2, 1996 to $829,000 and $1.1 million for the three and six months ended November 1, 1997. The increase was due to an increase in gross profit as a percentage of 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 $11.8 million at November 1, 1997 and $10.9 million at May 3, 1997. 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 six months ended November 1, 1997 was $612,000. Net income of $1.1 million plus depreciation and amortization of $1.1 million were offset by increases in receivables including costs and estimated earnings in excess of billings on uncompleted contracts and inventories. Cash used by investing activities consisted primarily of $816,000 of purchases of property and equipment. Cash provided from financing activities included $709,000 net borrowings under the Company's line of credit and was offset by $671,000 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 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 $1.2 million for the six months ended November 1, 1997 and $1.1 million for the six months ended November 2, 1996. The Company intends to continue to incur these expenditures to develop new display products using various display technologies to offer higher resolution, 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 during the period June 1 through December 31 of each year. And $10.0 million during the period January 1 through May 31 of each year, which includes up to $2.0 million for standby letters of credit. The line of credit is at the prime rate of interest established by the bank from time to time (8.50% at November 1, 1997) and is due on September 30, 1998. As of November 1, 1997, $3.4 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 $19.5 million, a minimum liquidity ratio and a maximum ratio of liabilities to tangible net worth.

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 $25.0 million in bonded work outstanding. At November 1, 1997, the Company had $6.4 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.

PART II - OTHER INFORMATION

Item 1 - LEGAL PROCEEDINGS

On May 4, 1995, the Company was served with a complaint, filed in the United States District Court Northern District of Georgia, by Display Solutions, Inc. alleging that the Company and Federal Sign Division of Federal Signal Corporation infringed on the plaintiff's patent rights. On November 5, 1997, the case was dismissed, however the plaintiff still has the right to appeal the decision. Based on the opinion of the Company's patent counsel, management of the Company believes that there is no infringement and intends to continue to defend the litigation vigorously should the matter be appealed. The Company's trial counsel is unable to evaluate the likelihood of an unfavorable outcome or the potential range of loss, if any.

On October 15, 1996, a lawsuit was brought by Roy L. McGreevy, Daktronics Aust/NZ Ltd., and International Sign Displays Co. in the United States District Court for the District of South Dakota, Southern Division against the Company. The lawsuit alleges the Company breached contracts, committed tortious interference with contracts, intentionally inflicted emotional distress on the plaintiffs and is responsible for compensatory and punitive damages. On October 28, 1997 a jury awarded the plaintiff exactly what the Company had presented as owing the plaintiff for royalties and commissions which was previously accrued by the Company.

Item 6 - EXHIBITS

None

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, President
Daktronics, Inc.
(Dr. Aelred J. Kurtenbach, President)
(President)

Date December 12, 1997

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

5
1,000

6-MOS
MAY-02-1998
MAY-04-1998
NOV-01-1997
179
0
9,781
(205)
8,518
25,780
16,354
(8,775)
39,152
14,011
0
0
0
11,680
0
39,152
32,704
32,704
23,809
7,172
(307)
9
212
1,818
720
1,098
0
0
0
1,098
.25
.25