UNITED STATES
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 February 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 March 7, 1997
Common Stock, No par value	4,306,420

Daktronics, Inc.

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

ASSETS	FEBRUARY 1, 1997 (UNAUDITED)	APRIL 27, 1996
CURRENT ASSETS		
Cash and cash equivalents	$ 114	$ 218
Accounts receivable less allowance for doubtful accounts of $ 117 at Feb 1, 1997, and $ 129 at April 27, 1996	8,671	8,630
Current maturities of long-term notes and contracts receivable	1,268	1,372
Inventories	8,912	9,800
Costs and estimated earnings in excess of billings on uncompleted contracts	4,441	2,684
Real estate held for sale	--	1,126
Prepaid expenses	12	245
Deferred income tax benefit	703	703
Income taxes receivable	--	64
Total current assets	$24,121	$24,842
LONG-TERM RECEIVABLES AND OTHER ASSETS		
Advertising rights	$ 2,569	$ 2,030
Notes and contracts receivables, less current maturities	2,684	2,714
Consulting and noncompete agreements and other	1,335	1,688
	$ 6,588	$ 6,432
PROPERTY AND EQUIPMENT, at cost		
Land	$ 492	$ 455
Buildings	4,453	3,902
Machinery and equipment	9,460	8,398
Office furniture and equipment	245	233
Transportation equipment	497	423
	$15,147	$13,411
Less accumulated depreciation	7,800	6,918
	$ 7,347	$ 6,493
	$38,056	$37,767

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	FEBRUARY 1, 1997 (UNAUDITED)	APRIL 27, 1996
CURRENT LIABILITIES		

Notes payable	$ 5,463	$ 5,690
Current maturities of long-term debt	497	1,382
Accounts payable	2,918	4,330
Accrued expenses	2,384	2,295
Billings in excess of costs and estimated earnings on uncompleted contracts	$ 2,802	$ 1,001
Accrued loss on uncompleted contracts	373	640
Income taxes payable	47	--
Total current liabilities	$ 14,484	$ 15,338
LONG-TERM DEBT, less current maturities	$ 1,467	$ 1,544
DEFERRED INCOME	$ 372	$ 539
DEFERRED INCOME TAXES	$ 485	$ 485
SHAREHOLDERS' EQUITY		
Common stock, no par value Authorized 15,000,000 shares 4,196 shares issued at April 27, 1996, and 4,306 shares issued at Feb 1, 1997	$ 11,680	$ 11,299
Retained earnings	9,577	8,571
	$ 21,257	$ 19,870
Less:		
Cost of 5 treasury shares	(9)	(9)
	$ 21,248	$ 19,861
	$ 38,056	$ 37,767

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

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

	THREE MONTHS ENDED		NINE MONTHS ENDED	
	FEBRUARY 1, 1997 (13 WEEKS)	JANUARY 27, 1996 (13 WEEKS)	FEBRUARY 1, 1997 (40 WEEKS)	JANUARY 27, 1996 (39 WEEKS)
Net sales	$ 11,516	$ 12,552	$ 44,795	$ 39,529
Cost of goods sold	8,524	10,738	33,322	31,628
Gross profit	$ 2,992	$ 1,814	$ 11,473	$ 7,901
Operating expenses:				
Selling	$ 1,869	$ 1,668	$ 5,956	$ 5,269
General and administrative	682	631	1,997	1,655
Product design and development	543	473	1,674	1,329
	$ 3,094	$ 2,772	$ 9,627	$ 8,253
Operating income (loss)	$ (102)	$ (958)	$ 1,846	$ (352)
Nonoperating income (expense):				
Interest income	106	71	292	224
Interest expense	(170)	(148)	(607)	(368)
Other income (expense)	5	(67)	115	73
Income (loss) before income taxes	$ (161)	$ (1,102)	$ 1,646	$ (423)
Income tax expense (credit)	(83)	(405)	641	(154)

Net income (loss)	$ (78)	$ (697)	$ 1,005	$ (269)
Earnings (loss) per share	$ (.02)	$ (.16)	$ .24	$ (.06)
Weighted average number of common and common equivalent shares	4,335	4,225	4,257	4,240

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 FEBRUARY 1, 1997 (40 weeks)	NINE MONTHS ENDED JANUARY 27, 1996 (39 weeks)
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ 1,005	$ (269)
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	882	847
Amortization	438	541
Provision for doubtful accounts	11	11
Change in operating assets and liabilities	(698)	(5,642)
Net cash provided by (used in) operating activities	$ 1,638	$(4,512)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	$(1,736)	$ (815)
Proceeds from sale of real estate held for sale	1,126	--
Other, net	47	(1,383)
Net cash (used in) investing activities	$ (563)	$(2,198)
CASH FLOWS FROM FINANCING ACTIVITIES		
Net borrowings on notes payable	$ (227)	$ 7,202
Principal payments on long-term debt	(951)	(296)
Net cash provided by (used in) financing activities	$(1,178)	$ 6,906
(Decrease) in cash and cash equivalents	$ (103)	$ (196)
Cash and cash equivalents:		
Beginning	218	380
Ending $	115	$ 184

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 subsidiaries as of February 1, 1997 and the results of its operations and cash flows for the three months and nine months ended February 1, 1997 and January 27, 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):

	February 1, 1997	April 27, 1996
Raw materials........................	$6,236	$5,718
Work-in-process......................	1,624	2,606
Finished goods.......................	1,052	1,476
	$8,912	$9,800

NOTE C. LITIGATION-

On May 4, 1995, the Company was served with a complai nt, 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. Based on the opinion of the Company's patent counsel, management of the Company believes that there is no infringement and intends to defend the litigation vigorously. The case is in its early stages and an evaluation of the likelihood of an unfavorable outcome, or estimate of the range or amount of possible loss, if any, is unavailable.

On May 20, 1996, the Company filed a complaint in United States District Court for the District of South Dakota Southern Division against Trans-Lux Corporation requesting a declaratory judgement. Trans-Lux Corporation asserted that the Company has infringed one certain patent. Based on the opinion of the Company's patent counsel, management of the Company believes that there has been no infringement and is seeking this declaratory judgement to affirm its position.

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, will be 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		NINE MONTHS ENDED	
	FEBRUARY 1, 1997 (13 WEEKS)	JANUARY 27, 1996 (13 WEEKS)	FEBRUARY 1, 1997 (40 WEEKS)	JANUARY 27, 1996 (39 WEEKS)
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of goods sold	74.0%	85.6%	74.4%	80.0%
Gross profit	26.0%	14.4%	25.6%	20.0%
Operating expenses	26.9%	22.1%	21.5%	20.9%
Operating income	(0.9%)	(7.7%)	4.1%	(0.9%)
Interest income	0.9%	0.6%	0.7%	0.5%
Interest expense	(1.5%)	(1.2%)	(1.4%)	(0.9%)
Other income (expense) ...	0.1%	(0.5%)	0.3%	0.2%
Income before income taxes	(1.4%)	(8.8%)	3.7%	(1.1%)
Income tax expense	(0.7%)	(3.2%)	1.4%	(0.4%)
Net income	(0.7%)	(5.6%)	2.3%	(0.7%)

NET SALES

Net sales were $12.5 million and $39.5 million for the three and nine months ended January 27, 1996, compared to $11.5 million and $44.8 million for the three and nine months ended February 1, 1997, representing a decrease of 8.2% for the three month period and an increase of 13.3% for the nine month period. The decrease for the quarter was the result of the timing of receipt of various contracts, awaiting customer design approval, and delivery of parts from various suppliers. The increase in net sales for nine month period was the result of increased sales in the sports and business markets. The Company also experienced an increase in sales volume of smaller orders in the sports and business markets over the same periods.

Based on current backlog and customer quotations, the Company believes that net sales for the last three months of fiscal year 1997 will be similar to and may exceed the last three months of fiscal year 1996.

GROSS PROFIT

Gross profit increased 66.3% from $1.8 million for the three months ended January 27, 1996 to $3.0 million for the three months ended February 1, 1997. Gross profit as a percentage of net sales was 14.4% for the three months ended January 27, 1996 compared to 26.0% for the three months ended February 1, 1997. The increase was the result of higher gross profit margins in all market segments. Also a $1.0 million cost overrun was recorded in this period last fiscal year on a contract for variable message displays for the New Jersey Department of Transportation.

Gross profit increased 45.2% from $7.9 million for the nine months ended January 27, 1996 to $11.5 million for the nine months ended February 1, 1997. Gross profit as a percentage of net sales was 20.0% for the nine months ended

January 27, 1996, compared to 25.6% for the nine months ended February 1, 1997. The increase for the nine 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 11.8% from $1.7 million for the three months ended January 27, 1996, to $1.9 million for the three months ended February 1, 1997. Selling expenses increased 13.2% from $5.3 million for the nine months ended January 27, 1996 to $6.0 million for the nine months ended February 1, 1997. The increases were due primarily to the addition of sales staff and related costs.

General and administrative expenses increased from $631,000 and $1.7 million for the three and nine months ended January 27, 1996 to $682,000 and $2.0 million for the three and nine months ended February 1, 1997. The increases were due to increased overhead to enhance company growth.

Product design and development increased from $473,000 and $1.3 million for the three and nine months ended January 27, 1996 to $543,000 and $1.7 million for the three and nine months ended February 1, 1997. The increases were due to continued improvements on existing and new products for use in current and potential markets.

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 $71,000 and $224,000 for the three and nine months ended January 27, 1996 to $106,000 and $292,000 for the three and nine months ended February 1, 1997. The increase was due to higher average balances of long-term receivables.

INTEREST EXPENSE

Interest expense increased from $148,000 and $368,000 for the three and nine month periods ended January 27, 1996 to $170,000 and $607,000 for the three and nine months ended February 1, 1997. The increase was due to an increase in average loan balances to fund the increase in working capital.

INCOME TAX EXPENSE

Income taxes as a percentage of income before income taxes was 36% and 39% for the nine months ended January 27, 1996 and February 1, 1997 respectively. The increase was due to the rounding of state tax accruals and a decrease in nontaxable interest income.

NET INCOME

Net loss was $697,000 for the three months ended January 27, 1996 compared to a net loss of $78,000 for the three months ended February 1, 1997. Net loss for the nine months ended January 27, 1996 was $269,000 compared to net income of $1.0 million for the nine months ended February 1, 1997. The increase in net income was due to an increase in gross profit as a percentage of sales, offset by increased general and administrative and interest expenses. Also the increase is reflected because of the cost overrun previously mentioned. 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 $9.6 million at February 1, 1997 compared to $9.5 million at April 27, 1996. Working capital provided by net income, depreciation and amortization was offset by purchases of property and equipment, repayment of long-term debt and acquisition of advertising rights. 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 nine months ended February 1, 1997 was $1.6 million. Net income of $1.0 million plus depreciation and amortization of $1.3 million were offset by an increase in costs and estimated earnings in excess of billings on uncompleted contracts. Cash used in investing activities consisted of $1.7 million for purchase of property and equipment, offset by $1.3 million in proceeds from sale of real estate held for sale. Cash used in financing activities included $951,000 of repayment of long-term debt and $227,000 net payments on the Company's line of credit.

The Company has used and expects 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 or more 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.

As of February 1, 1997, the Company had a credit agreement with a bank providing for an unsecured revolving line of credit of $10.0 million, which includes up to $5.0 million for standby letters of credit. The line of credit is at the prime rate as established by the bank from time to time (8.25% at February 1, 1997) and is due on September 30, 1997. As of February 1, 1997, $5.5 million had been drawn on the line of credit.

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 February 1, 1997, the Company had $6.0 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 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 operation in the foreseeable future.

PART II - OTHER INFORMATION

Item 1. Exhibits and Reports on Form 10-Q
Exhibit 27 - Financial Data Schedule (for SEC use only)

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 March 14, 1997

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

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