

Classic Aviation Products

**PRESS RELEASE
FOR IMMEDIATE RELEASE**

March 11 2004

**BUTLER NATIONAL CORPORATION (OTCBB - BUKS) - REPORTS THIRD
QUARTER FY 2004 PROFIT ON INCREASED REVENUES**

[OLATHE, KANSAS], March 11 2004, - On March 11th - Butler National Corporation filed its Quarterly Report for the quarter ending January 31, 2004, on Form 10-Q pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.

Historical selected financial data related to all operations:

	Quarter Ended January 31 (In thousands except per share data)			Nine Months Ended January 31 (In thousands except per share data)		
	2004	2003	2002	2004	2003	2002
Net Sales	\$ 2,626	\$ 1,806	\$ 1,453	\$ 7,013	\$ 4,579	\$ 7,374
Operating Income	219	166	58	589	135	1,268
Net Income	178	140	2	484	46	1,116
Per Share Net Income	.00	.00	.00	.01	.00	.03
Total Assets	10,695	9,619	9,591	10,695	9,619	9,591
Long-term Obligations	1,564	1,660	2,157	1,564	1,660	2,157
Shareholders' Equity	6,241	5,600	5,447	6,241	5,600	5,447
New Product Research and Development Cost	314	255	328	1,043	863	686

nr = not reported

Highlights of the report include:

- Sales for the first nine months fiscal year 2004 increased \$2,433,581, primarily from increased business in Avionics and Aircraft Modification Sales. TSD sales for Boeing 737, special mission products, expanded Classic aircraft maintenance, and weapon control systems account for the increased sales.
- Operating income for the first nine months fiscal year 2004 increased \$454,217 after deducting a research and development charge of \$1,043,125, primarily related to product improvements in Avionics and Aircraft Modifications.

- Backlog at April 30, 2003, was \$4,449,000, and at January 31, 2004, was \$7,300,000.

Management Comments:

We just completed the first nine months of fiscal year 2004 on target with our Classic product development plans. Our focus on Classic Aviation Products allowed us to invest in product development and market refinement as an expense, 14% of sales (over \$1,000,000 year-to-date) and show a six-figure profit during very tough times in the aerospace industry. We just completed our second profitable year, April 30, 2003 and third profitable quarter in fiscal 2004. We continue to work on new products to stabilize our long-term revenues including RVSM for the Learjet 20 series, weapon control systems, expanded professional services, Kansas Owned Gaming, and extension of our gaming management contract through September 2008.

Our determination to focus Butler National Corporation on 'Classic' Aviation Products, consistent with our long and significant heritage as a manufacturer of airline avionics equipment and a modification facility for aircraft in service is beginning to make a positive showing on the financial statements. It is our intent to provide Classic Aviation Products that will support and promote continued safe commercial and general aviation. Our plans are to provide support to currently available classic aircraft that will allow them to operate with a positive cost benefit picture into the middle of the 21st century.

Currently, our backlog remains at approximately \$7,000,000 reflecting the potential to realize the results of our product development efforts. Our challenge is to ship the backlog, replace the backlog with new orders and further take advantage of these new products. We are pleased to see the growth in our backlog for our new Classic Aviation Products and Services. Significant accomplishments were made by all operating segments and in gaming.

However, because of our major investment in product development, we may not always maintain smooth and continuous quarterly profits. We may have a quarterly loss from time to time as we work toward our potential of a more complete Classic product line in fiscal 2005.

I am pleased with the continued progress by our people in 2004. Many programs and projects are being established to continue this progress into the future. We are looking forward to a profitable year in fiscal 2004," commented Clark D. Stewart, President of the Company.

Our Business:

Butler National Corporation operates in the Aerospace and Services business segments. The Aerospace segment focuses on the manufacturing of support systems for "Classic" commercial and military aircraft including the Butler National TSD for the Boeing 737 and 747 Classic aircraft, switching equipment for Boeing/Douglas Aircraft, weapon control systems for Boeing Helicopter and performance enhancement structural modifications for Learjet, Cessna, Dassault and Raytheon business aircraft. Services include electronic monitoring of water pumping stations, temporary employee services, Indian gaming services and administrative management services.

Forward-Looking Information:

The information set forth above may include "forward-looking" information as outlined in the Private Securities Litigation Reform Act of 1995. The Cautionary Statements, filed by the Company as Exhibit 99 to the Company's Annual Report on Form 10-K, are incorporated herein by reference and investors are specifically referred to such Cautionary Statements for a discussion of factors which could affect the Company's operations and forward-looking statements contained herein.

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