

PRESS RELEASE

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Aero Group Announces Restructuring

JACKSONVILLE, FLA. - March 31, 2004 /Send2Press Newswire/ -- Aero Group Incorporated (Pink Sheets: AROU) announced that it has entered into a Contribution Agreement with, among other parties, Chicago businessman Kevin F. Flynn. The transactions that are part of the agreement include the contribution by Mr. Flynn of \$500,000 in cash to the Company and the contribution of aviation property and equipment by other parties, in exchange for shares of common stock of the Company and warrants to purchase such stock. Mr. Flynn also irrevocably committed to contribute an additional \$500,000 in cash to the Company in the event that on or before December 31, 2004, the Company enters into an irrevocable contract or contracts with a financially secure party providing for at least \$10 million of annual revenue

The contributions and the issuances of shares and warrants are subject to certain closing conditions, including Mr. Flynn's satisfaction of his due diligence review of the Company and stockholder approval of certain aspects of the transaction as required by state law. The parties also intend for the Company to become fully compliant with all applicable securities laws and regulations prior to the closing.

Simultaneous with the signing of the Contribution Agreement, the Company issued a warrant to Mr. Flynn to purchase the number of shares of Company common stock equal to 5% of the total stock outstanding. Mr. Flynn is entitled to retain this warrant even if the closing of the Contribution Agreement does not occur.

"We are delighted to be joining forces with Kevin Flynn," said Mark Daniels, Chief Executive Officer of the Company. "Mr. Flynn has a proven record of assisting young companies and helping take their business to the next level. We are looking forward to doing the same with Aero Group. As part of the transaction we will work diligently to update all of our filings. Our goal is to complete our audits, update our filings and close this transaction by mid summer."

"I am very excited to be working with Mark Daniels and his team given what they have accomplished over the last 18 months faithfully serving the logistics and training needs of our NATO allies," said Kevin Flynn. "I view it as an incredible opportunity and we look forward to continuing the programs Aero Group has begun and secure long term logistics and training contracts with NATO allies."

Aero Group Incorporated is a Florida-based tactical aviation company in the business of providing flight training services.

Kevin F. Flynn is Chairman and Chief Executive Officer of Emerald Ventures, Inc., a private investment holding company. Emerald Ventures currently manages investments in over twenty companies. These investments are in various stages of development from start-up to publicly traded and include many different industries.

This news release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about the benefits of the agreement between Aero Group Incorporated and Kevin F. Flynn and statements about future financial and operating results, plans, objectives, expectations and intentions and other statements that are not historical facts. Such statements are based upon the current beliefs and expectations of Aero Group Incorporated's management and are subject to significant risks and uncertainties. Actual results may differ from those expressed or implied in the forward-looking statements. The following factors, among others, could

cause actual results to differ from those set forth in the forward-looking statements: the failure of the Company to secure additional contracts, the imposition of governmental restrictions on the ability of the Company to provide its services to foreign countries, adverse economic conditions generally, the failure of the Company's stockholders to approve certain transactions contemplated by the Contribution Agreement, the due diligence condition to closing the Contribution Agreement not being fulfilled, the failure of the Company to become compliant with all applicable securities laws and regulations, increased competition and the Company's inability to integrate the assets contributed in the transaction.

For additional information please visit our web site at <http://www.aerogroupinc.com>

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(Pink Sheets: AROU)

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