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PRESS RELEASE
For immediate release

GDG ENVIRONMENT GROUP reports first quarter financial results for 2010 and a backlog growth of 26%

TROIS-RIVIÈRES, May 25, 2010/CNW/ - GDG ENVIRONMENT GROUP (TSXV:GDG) today announced its financial and operating results for the three-month period ended March 31, 2010 ("the quarter"). A Canadian recognized leader, GDG Environment Group offers a broad range of environmental services targeting the improvement of quality of life and the protection of public health. The Group is also a dominant business in the integrated control of biting flies in Canada.

"The Company begins the year 2010 with a backlog amounting to more than \$7 million compared to \$5 million in the corresponding quarter of 2009. This will be reflected during our seasonal peak which occurs in the second and third quarters. This backlog, and a good performance at the beginning of the year, is a result of the synergy generated by the recent acquisition of Groupe Bio Services" said Jean-Guy Lanouette, Chairman of the Board. "This increase in our backlog enables us to reach a critical mass of contracts, which should have a positive impact on our upcoming results. Consequently, it will contribute to the creation of shareholder value", Mr. Lanouette added.

Considering the typical seasonality of GDG Environment Group's operations: control of biting flies and vector disease control, it is important to interpret the following financial results while keeping in mind that the Company begins its operations only in April, therefore in the second quarter. All amounts in this release are expressed in Canadian dollars unless otherwise indicated.

Highlights of first quarter:

- 26% increase in our backlog, which represents a contract value of \$7 million in 2010 compared to \$5 million in the corresponding period of 2009.
- Acquisition of Groupe Bio Services.
- Awarding of long-term contracts with two new municipalities in Labrador allowing the Group to confirm its dominant position as service provider for the biological control of biting insects in that region.
- Increase in sales of 26.3%, which totalled \$786,187 for the three-month period ended March 31, 2010, compared to \$622,683 for the three-month period ended March 31, 2009. The gross margin registered of \$277,524, being at 35.3%, compared to \$209,844 and a gross margin of 33.7% for respective quarter in 2010 and 2009.
- Comparable Operating expenses registered at \$716,892 for three-month period ended March 2010 compared to \$713,210 for same period in 2009, despite a \$26,869 expenditure incurred in connection with the acquisition.

- Improvement of more than \$67,000 in EBITDA in the first three-month period ended March 2010: \$(194,443) compared to \$(264,102) for the same period in 2009.

GDG ENVIRONMENT GROUP LTD. DATA EXTRACTED FROM CONSOLIDATED FINANCIAL STATEMENTS – EARNINGS				
(In thousands of dollars)	Three-month period ended March 31, 2010		Three-month period ended March 31, 2009	
Sales	\$786		\$623	
Gross Margin	\$278	35.3%	\$210	33.7%
EBITDA	\$(194)		\$(264)	
Net Earnings (Loss)	\$(308)		\$(314)	
Earnings per share – Basic and Diluted	\$(0.01)		\$(0.01)	

GDG Environment Group continues to put the emphasis on building a recurring revenue business. Recurring revenues now represents an increasing percentage of its total sales that will benefit investors, while allowing us to maintain our close relationship with our customers.

The current Company's financial statements and management's discussion and analysis will be available on www.sedar.com and www.groupegdg.ca.

Non GAAP-financial measures

The Company uses only one financial measure that is not consistent with Canadian GAAP, namely earnings before interest, income taxes, depreciation and amortization (EBITDA). Such a measure is used because management believes that it provides meaningful information about the Company's performance and operating results. Such a non-GAAP measure has no standardized meaning as prescribed by GAAP and is not necessarily comparable to similarly titled measures presented by other companies. Accordingly, it should not be considered independently of other figures.

About GDG Environment Group (www.groupegdg.com)

Since 1980, GDG Environment Group, a recognized Canadian leader in the integrated control of biting flies, offers a broad range of environmental services targeting the improvement of quality of life and the protection of public health, mainly through the biological control of biting flies, vector control and the surveillance and prevention of West Nile Virus in Canada.

GDG Environment Group operates 4 divisions: GDG Environment, front-runner in the biological control of biting flies and vector control, GDG Aviation which manages all aerial operations for the Group, Diamond Sylvico, a Northern Quebec subsidiary, firmly established in the Cree Community of Waskaganish (James Bay territory) and Groupe Bio Services which services are a great complement to the ones offered by GDG Environment Group.

The Group markets its expertise throughout the country and has a strong team of scientists and managers plus a team of nearly 200 professionals and technicians in the summer. The Group is

established as the most important player in Canada, after more than 500 successful mandates, in the field of biological control of biting flies and in the management of disease vectors.

GDG Environment Group is listed on the TSX Venture Exchange under the ticker "GDG" - (TSX-V:GDG).

The TSX Venture Exchange Inc. does not accept responsibility for the adequacy or accuracy of this press release.

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