

# SPAR Group Creates a New Subsidiary in Mexico

## Clients Include Grupo Herdez, Revlon, Epson, Mc Cormick, Levi-Strauss and Olympus

TARRYTOWN, NY -- (MARKET WIRE) -- 09/06/11 -- SPAR Group, Inc. (NASDAQ: SGRP), a diversified international merchandising and marketing services company that provides a broad array of services worldwide to help companies improve their sales, today announced the start-up of a new subsidiary to expand its operations into Mexico.

The new company, SPAR TODOPROMO, SAPI, de CV., in which SPAR will hold a 51% ownership interest, is expected to generate \$13 million in profitable revenue over the next twelve months. The remaining 49% is held by Grupo TODOPROMO, a leading merchandising company which has operated in the Mexican market since 2001. SPAR TODOPROMO will specialize in the areas of in-store merchandising and demonstrative services. The Company will maintain operations from four strategically placed locations servicing the entire Mexican Market.

"SPAR TODOPROMO marks the third new subsidiary for SPAR Group within the previous three months, providing approximately \$20 million in annualized revenue to the Company's top-line," stated Gary Raymond, Chief Executive Officer of SPAR Group. "This new subsidiary in Mexico will increase our strong performing international revenue base by over 30%. The new Company will provide marquee clients such as Grupo Herdez, Revlon, Epson, Mc Cormick, Levi Strauss, Olympus and 20th Century Fox, and improve the credibility of our already strong client base of Fortune 500 companies. In addition to providing immediate profitability and increased earnings, SPAR TODOPROMO will also provide us access to the rapidly emerging Spanish speaking consumer market while significantly increasing our North American footprint. Management is pleased with our continued geographic expansion and will continue to seek additional accretive markets in which to enter."

"Grupo TODOPROMO is extremely pleased to partner with a well respected industry leader such as SPAR Group," said Juan Medina, Chief Executive Officer of Grupo TODOPROMO. "Our longstanding experience and key relationships within the Mexican marketplace, coupled with SPAR Group's proven systems and marketing solutions, will provide a strong value add to our expanding client base. We intend to leverage the projected cost saving synergies and SPAR's wide array of merchandising solutions to continue to gain market share going forward."

### About SPAR Group

SPAR Group, Inc. is a diversified international merchandising and marketing services company that provides a broad array of services worldwide to help companies improve their sales, operating efficiency and profits at retail locations. SPAR Group provides product services, project services, in-store events, radio frequency identification ("RFID"), technology services and marketing research covering all product and trade classifications, including mass market, drug store, convenience store and grocery chains. Product services include product additions; placement, reordering, replenishment, labeling, evaluation and deletions, and project services include seasonal and special product promotions, product recalls and complete setups of departments and stores. The company operates throughout the United States and internationally in 9 of the most populated countries, including China and India. For more information, visit the SPAR Group's Web site at <u>www.sparinc.com</u>.

### Forward Looking Statements

Certain statements in this news release and such conference call are forward-looking, including (without limitation) growing revenues and profits through organic growth and acquisitions, attracting new business that will increase SPAR Group's revenues, continuing to maintain costs and consummating any transactions. Undue reliance should not be placed on such forward-looking statements because the matters they describe are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond the company's control. The company's actual results, performance and trends could differ materially from those indicated or implied by such statements as a result of various factors, including (without limitation) the continued strengthening of SPAR Group's selling and marketing functions, continued customer satisfaction and contract renewal, new product development, continued availability of capable dedicated personnel, continued cost management, the success of its international efforts, success and availability of acquisitions, availability of financing and other factors, as well as by factors applicable to most companies such as general economic, competitive and other business and civil conditions. Information regarding certain of those and other risk factors and cautionary statements that could affect future results, performance or trends are discussed in SPAR Group's most recent annual report on Form 10-K, quarterly reports on Form 10-Q, and other filings made with the Securities and Exchange Commission from time to time. All of the company's forward-looking statements are expressly qualified by all such risk factors and other cautionary statements.

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