



November 4, 2002

## SPAR Group Reports Third Quarter and Nine-Month Results

### Income From Continuing Operations up 31% for Nine Months; Board Authorizes Stock Repurchase

TARRYTOWN, N.Y., Nov. 4, 2002 -- SPAR Group, Inc. (Nasdaq:SGRP) today announced results for its third quarter and nine months ended September 30, 2002.

Income from continuing operations for the third quarter increased 17 percent to \$1.21 million, or \$0.06 per diluted share, from \$1.04 million, or \$0.06 per diluted share, a year earlier. Net income for the third quarter was \$1.21 million, or \$0.06 per diluted share, compared with \$578,000, or \$0.03 per diluted share, last year. Revenues for the quarter were \$17.8 million compared with \$19.0 million a year ago. Results in the third quarter of 2001 included a loss from discontinued operations of \$463,000.

For the nine months ended September 30, 2002, income from continuing operations climbed 31 percent to \$2.8 million, or \$0.14 per diluted share, from \$2.1 million, \$0.12 per diluted share, in the same period a year ago. Net income for the nine months was \$2.8 million, or \$0.14 per diluted share, from \$1.6 million, or \$0.09 per diluted share, last year. Revenues for the nine months of 2002 were \$51.4 million compared with \$50.1 million in the comparable 2001 period.

Separately, the company announced that its board of directors has authorized a stock repurchase program of up to 100,000 shares of the company's outstanding common stock. The common stock may be repurchased from time to time in the open market at varying prices depending on market conditions and other factors.

"Despite a less than robust retailing environment, which impacted top-line growth for the quarter, the company's margins remain strong and the business is expected to continue to benefit from customers seeking to increase sales and profit by distinguishing their products in the retail marketplace," said Bob Brown, SPAR Group's chairman and chief executive officer.

He noted that gross margins for the quarter and the nine-month period were approximately 40 percent, reflecting continued management of the company's field cost.

Commenting on the company's stock repurchase program, Brown said, "We believe the current stock price does not adequately represent the value of SPAR Group's shares. The share repurchase program underscores management's confidence in SPAR's long-term prospects and the growth opportunities for the company.

"As we enter the fourth quarter, which is historically SPAR's strongest period, due in part to the holiday season, we remain cautiously optimistic regarding the company's previous estimate of achieving \$0.28 per diluted share from continuing operations for 2002," Brown said. "Obviously, given the current economic environment, it is more difficult to gauge sales trends, but our internal forecasts appear to justify current targets," Brown added.

SPAR Group, Inc., a diversified marketing services company, provides a broad array of productivity enhancing products and services to help Fortune 1000 companies improve their sales, operating efficiency and profits. SPAR is organized into two operating divisions. The Merchandising Division provides in-store merchandising, database and research services to general retail, mass market, drug, and grocery chains. SPAR's International Division, through a joint venture with a large Japanese wholesaler, provides in-store merchandising services to the Japanese market.

Certain statements in this news release are forward-looking and involve a number of risks and uncertainties. The Company's actual results could differ materially from those indicated by such statements as a result of various factors, including the continued building of sales momentum and other factors discussed in SPAR Group's Form 10-K, Form 10-Q, and other filings made with the SEC from time to time.

SPAR Group, Inc.  
Condensed, Consolidated Statements of Operations  
(unaudited)  
(in thousands, except per share data)

Three Months Ended	Nine Months Ended
Sept. 30,	Sept. 30,

	2002	2001	2002	2001
Net revenues	\$17,775	\$19,026	\$51,363	\$50,058
Cost of revenues	10,760	11,669	31,102	30,277
Gross profit	7,015	7,357	20,261	19,781
Selling, general and administrative expenses	4,571	4,826	14,212	13,811
Depreciation and amortization	467	692	1,345	2,002
Operating income	1,977	1,839	4,704	3,968
Interest expense	144	126	231	452
Other expense	32	--	166	--
Income before provision for income taxes	1,801	1,713	4,307	3,516
Provision for income taxes	588	672	1,544	1,405
Income from continuing operations	1,213	1,041	2,763	2,111
operations, net	--	(463)	--	(538)
Net Income	\$1,213	\$578	\$2,763	\$1,573
Basic/diluted net income (loss) per common share:				
Net Income from continuing operations:				
- basic	\$0.06	\$0.06	\$0.15	\$0.12
- diluted	\$0.06	\$0.06	\$0.14	\$0.12
Loss from discontinued operations, net				
- basic/diluted	\$0.00	\$(0.03)	\$0.00	\$(0.03)
Net Income:				
- basic	\$0.06	\$0.03	\$0.15	\$0.09
- diluted	\$0.06	\$0.03	\$0.14	\$0.09
Weighted average common shares - basic	18,696	18,272	18,700	18,272
Weighted average common shares - diluted	19,103	18,391	19,118	18,350

SPAR Group, Inc.  
Condensed Consolidated Balance Sheets  
(unaudited)  
(in thousands, except per share data)

	September 30, 2002	December 31, 2001
Assets		
Current Assets:		
Cash and cash equivalents	\$--	\$--
Accounts receivable, net	18,370	21,144
Prepaid expenses and other current assets	705	440
Deferred income taxes	3,241	3,241
Total current assets	22,316	24,825
Property and equipment, net	1,658	2,644
Goodwill and other intangibles, net	8,357	8,357
Deferred income taxes	389	389

Other assets	84	110
Net assets from discontinued operations	--	4,830
Total assets	\$32,804	\$41,155

Liabilities and stockholders' equity

Current liabilities:

Accounts payable	\$1,159	\$440
Accrued expenses and other current liabilities	6,678	5,868
Restructuring and other charges, current	1,392	1,597
Due to certain stockholders	2,201	2,655
Current portion of long-term debt	--	57
Net liabilities from discontinued operations	--	5,732
Total current liabilities	11,430	16,349

Line of credit and long-term liabilities, net of current portion	4,060	11,287
Long-term debt due to certain stockholders	2,000	2,000
Restructure and other charges, long-term	515	585
Other long-term liabilities	828	--
Commitments and contingencies		

Stockholders' equity:

Preferred stock, \$.01 par value:

Authorized shares -- 3,000,000

Issued and outstanding shares -- none

Common stock, \$.01 par value:

Authorized shares -- 47,000,000

Issued and outstanding shares --

18,807,242 -- September 30, 2002 and

18,585,615 -- December 31, 2001

Treasury stock	(11)	--
Additional paid-in capital	10,814	10,531
Retained Earnings	2,980	217
Total stockholders' equity	13,971	10,934
Total liabilities and stockholders' equity	\$32,804	\$41,155

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