



February 28, 2003

SPAR Group Reports Record Results for 2002 Fourth Quarter and Year; Income From Continuing Operations Up 28 Percent in 2002

TARRYTOWN, N.Y., Feb. 28, 2003--SPAR Group, Inc. (NASDAQ:SGRP) today announced financial results for its fourth quarter and year ended December 31, 2002.

Income from continuing operations for the fourth quarter of 2002 increased 24 percent to \$2.5 million, or \$0.13 per diluted share, compared to \$2.0 million, or \$0.11 per diluted share, in the same period a year earlier. Net income for the fourth quarter was \$2.5 million compared to a net loss of \$3.3 million in the 2001 fourth quarter. The 2001 loss included a non-cash charge for the impairment of goodwill related to the divestiture of SPAR's Incentive Marketing Division that was subsequently sold to employees through an employee stock ownership plan, effective June 30, 2002. Revenues for the fourth quarter were \$18.2 million compared to \$20.8 million in the fourth quarter of 2001.

For the year ended December 31, 2002, income from continuing operations increased 28 percent to \$5.3 million, or \$0.28 per diluted share, compared to \$4.2 million or \$0.23 per diluted share, a year earlier. Net income for the year was \$5.3 million compared to a net loss of \$1.7 million for 2001. Revenues for 2002 were \$69.6 million compared to \$70.9 million last year.

"Once again, SPAR achieved record operating results for the year and met its goal of \$0.28 per diluted share from continuing operations," said Bob Brown, SPAR Group's chairman and chief executive officer. "During the year, we continued to refine our product offerings and strengthened our selling and marketing functions. We believe our success is testament to our innovative products, superior technology, dedicated people and continued cost management. As always, moving forward we plan to work closely with our clients and leverage SPAR's unique merchandising expertise to increase their sales and profits." Brown noted that the company is well positioned for top line growth in 2003 and is targeting a 20% increase in net income, translating to earnings per share of \$0.33 for the year.

During the fourth quarter the company's board of directors authorized a stock repurchase program of up to 100,000 shares of the company's outstanding common stock. Since the time of the authorization, the company has repurchased approximately 24,400 shares of its common stock at an average share price of \$3.23. The company will remain active with the share repurchase program should the right market conditions exist.

SPAR Group, Inc. is a diversified marketing services company, providing a broad array of productivity enhancing products and services to help Fortune 1000 companies improve their sales, operating efficiency and profits. The company provides in-store merchandising, database and research services to general retail, mass market, drug, and grocery chains both, throughout the United States and internationally.

Certain statements in this news release (including, without limitation, the top line, net income and earnings per share estimates for 2003) are forward-looking and involve a number of risks and uncertainties (both known and unknown). 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's selling and marketing functions, continued customer satisfaction and contract renewal, new product development and marketing, continued technological superiority over its competitors, continued availability of capable dedicated personnel, continued cost management, the success of its international efforts, and other factors, as well as by factors applicable to most companies such as general economic, competitive and other business and civil conditions. Information respecting certain of these and other factors that could effect future results, performance or trends are discussed in SPAR Group's annual report of Form 10-K, quarterly reports on Form 10-Q, and other filings made with the Securities and Exchange Commission from time to time.

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

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2002	2001	2002	2001
Net Revenues	\$18,249	\$20,834	\$69,612	\$70,891

Cost of revenues	9,230	10,606	40,331	40,883
Gross profit	9,019	10,228	29,281	30,008
Selling, general and administrative expenses	4,593	5,569	18,804	19,380
Depreciation and amortization	499	680	1,844	2,682
Operating income	3,927	3,979	8,633	7,946
Interest expense	133	109	363	561
Other (Income) expense	(193)	107	(26)	107
Income before provision for income taxes	3,987	3,763	8,296	7,278
Provision for income taxes	1,454	1,718	2,998	3,123
Income from continuing operations	2,533	2,045	5,298	4,155
Loss from discontinued operations, net of tax benefit	0	(5,332)	0	(5,869)
Net Income (loss)	\$2,533	\$(3,287)	\$5,298	\$(1,714)
Net income (loss) per common share:				
Income from continuing operations - basic/diluted	\$0.13	\$0.11	\$0.28	\$0.23
Loss from discontinued operations, net of tax benefit				
- basic	0.00	(0.29)	0.00	(0.32)
- diluted	0.00	(0.28)	0.00	(0.32)
Net Income (loss)				
- basic	\$0.13	\$(0.18)	\$0.28	\$(0.09)
- diluted	\$0.13	\$(0.17)	\$0.28	\$(0.09)
Weighted average common shares - basic	18,816	18,582	18,761	18,389
Weighted average common shares - diluted	19,237	18,957	19,148	18,467

SPAR Group, Inc.
Condensed, Consolidated Balance Sheets
(unaudited)

(In thousands, except per share data)

December 31,
2002 2001

Assets

Current Assets:

Cash and cash equivalents	\$0	\$0
Accounts receivable, net	17,415	21,144
Prepaid expenses and other current assets	783	440
Deferred income taxes	903	3,241
Total current assets	19,101	24,825

Property and equipment, net	1,972	2,644
Goodwill and other intangibles, net	7,858	8,357
Deferred income taxes	705	389

Other assets	121	110
Net assets from discontinued operations	0	4,830
Total assets	\$29,757	\$41,155

Liabilities and stockholders' equity

Current liabilities:		
Accounts payable	\$422	\$440
Accrued expenses and other current liabilities	7,054	5,868
Restructuring and other charges, current	1,355	1,597
Due to certain stockholders	1,951	2,655
Current portion of long-term debt	0	57
Net liabilities from discontinued operations	0	5,732
Total current liabilities	10,782	16,349

Line of credit	148	11,287
Long-term debt due to certain stockholders	2,000	2,000
Restructure and other charges, long-term	235	585

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- 18,824,527 -		
December 31, 2002 and 18,582,615 - December		
31, 2001		
	188	186
Treasury stock	(30)	0
Additional paid-in capital	10,919	10,531
Retained Earnings	5,515	217
Total stockholders' equity	16,592	10,934
Total liabilities and stockholders' equity	\$29,757	\$41,155

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