



January 17, 2002

SPAR Group Explores Divestiture of Its Incentive Marketing Division

Possible ESOP Sale

TARRYTOWN, N.Y.----Jan. 17, 2002--SPAR Group, Inc. (Nasdaq:SGRP) today announced it is exploring strategic alternatives for the company's Incentive Marketing Division, including the sale of the business to employees through the establishment of an employee stock ownership plan.

The Incentive Marketing Division, with reported revenues of approximately \$28 million for the year ended December 31, 2000, is engaged in designing and implementing premium incentives, managing group meetings and group travel for clients throughout the United States, including administrative, travel and merchandise fulfillment services, to companies seeking to motivate employees, salespeople, dealers, distributors and retailers.

"Our decision to consider the divestiture of the Incentive Marketing Division reflects the company's desire to maximize its return on investment, while providing an opportunity for our employees to share in the success of this niche business," said Robert G. Brown, chairman and chief executive officer of SPAR Group.

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. Organized into four operating divisions, SPAR provides in-store merchandising, database and research services through its Merchandising Division in general retail, mass market, drug and grocery chains. Through its Incentive Division, the company provides a wide variety of consulting, creative, program administration, travel and merchandising fulfillment services to companies seeking to retain, train and motivate employees to higher levels of productivity. Through its Internet Division, the company provides a series of Internet productivity improvement applications designed to help companies increase operating efficiencies and train employees in remote locations. SPAR's International Division, through a joint venture with a large Japanese wholesaler, is poised to provide in-store merchandising, database and research services in general retail, mass market, drug and grocery chains.

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 possible sale of the Incentive Marketing business to employees through the establishment of an employee stock ownership plan 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.

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