

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT  
Pursuant to Section 13 OR 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 14, 2013

SPAR Group, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

0-27824  
(Commission  
File No.)

33-0684451  
(IRS Employer  
Identification No.)

333 Westchester Avenue, South Building, Suite 204, White Plains, NY  
(Address of Principal Executive Offices)

10604  
(Zip Code)

Registrant's telephone number, including area code: (914) 332-4100

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

**Item 2.02. Results of Operations and Financial Condition.**

On May 14, 2013, we, SPAR Group, Inc. ("SGRP" or the "Registrant"), and its subsidiaries (together with SGRP, "we", "our" or the "Company"), issued a press release (the "Release") reporting our financial results for our fiscal quarter and three-month period that ended on March 31, 2013 (our "2013 First Quarter").

A copy of the Release is attached to this Current Report on Form 8-K (this "Report") as Exhibit 99.1 and is hereby incorporated herein by reference.

**Item 8.01. Other Events.**

The Release also included our announcement that we would hold on a public conference call for our stockholders and others on May 16, 2013, at 4:15 p.m. Eastern Daylight Time during which time Mr. Gary Raymond, President and Chief Executive Officer, and Mr. Jim Segreto, Chief Financial Officer, will discuss the Company's 2013 First Quarter financial results and provide a stockholder update on recent business developments.

Conference Call Details:

Date: Thursday, May 16, 2013

Time: 4:15 p.m. EDT

TOLL-FREE: 1-877-941-4774

TOLL/INTERNATIONAL: 1-480-629-9760

It is recommended that participants dial in approximately 5 to 10 minutes prior to the start of the 4:15 p.m. call. A telephonic replay of the conference call may be accessed approximately three hours after the call through May 23, 2013 by dialing 1-877-870-5176, or 1-858-384-5517 for international callers, and entering the replay pin number 4619668.

There will also be a simultaneous audio feed webcast and archived recording of the conference call available at <http://www.sparinc.com> under the "Investor Relations" menu section and "News Releases" sub-menu of the website, or you may use the link audio feed and archived recording of the conference call available at <http://www.viaid.net/>.

**Information Not "Filed"**

The information in Items 2.02 and 8.01 of this Report and the Release, and any information that may be conveyed in such conference call, shall, to the greatest extent permitted by applicable law, not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. Such information, to the extent deemed or determined to have been not "filed" under applicable law, shall not be deemed incorporated by reference in any filing by us under the Securities Act of 1933, as amended (the "Securities Act"), except as shall be expressly set forth by specific reference in such a filing.

**Forward Looking Statements**

Statements contained in this Report and the attached Release, and any statements that may be made in such conference call, include "forward-looking statements" within the meaning of Section 27A of the Securities Act, Section 21E of the Exchange and other applicable federal and state securities laws, rules and regulations, each as amended (together with the Securities Act and Exchange Act, collectively, "Securities Laws"). Forward looking statements are also included in SGRP's Annual Report on Form 10-K for the fiscal year ended December 31, 2012, as filed with the Securities and Exchange Commission (the "SEC") on April 2, 2013 (the "Annual 2012 Report"), SGRP's Proxy Statement for its 2013 Annual Meeting of Stockholders as filed with the SEC on April 19, 2013 (the "2013 Proxy Statement"), in SGRP's Quarterly Reports on Form 10-Q as filed with the SEC from time to time after the Annual Report (each a "Quarterly Report"), and the Company's other filings with the SEC under applicable Securities Laws (including this Report, SGRP's Annual Report, Proxy Statement and Quarterly Report(s), each a "SEC Report"). The Company's SEC Reports are available on the Company's website at <http://investors.sparinc.com>.

Forward looking statements include (without limitation) any statements relating to anticipated, prospective or desired customers, acquisitions, growth or markets, trends, updates, or other anticipated, estimated, expected or desired assets, business, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, profits, prospects, sales, strategies, taxation, valuation or other achievement, results, risks or condition. You can identify forward-looking statements in such information by the Company's use of terms such as "may", "will", "expect", "intend", "believe", "estimate", "anticipate", "continue" or similar words or variations or negatives of those words.

You should carefully consider all forward-looking statements, risk factors and the other risks, cautions and information noted in this Report, the Company's 2012 Annual Report and the Company's other SEC Reports that could cause the Company's actual assets, business, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, prospects, sales, strategies, taxation or other achievement, results, risks or condition to differ materially from those anticipated by the Company and described in the information in the Company's forward-looking statements, whether express or implied, as the Company's anticipations are based upon the Company's plans, intentions, expectations and best estimates and (although the Company believe them to be reasonable) involve known and unknown risks, uncertainties and other factors that could cause them to fail to occur or be realized or to be materially and adversely different from those the Company anticipated.

Although the Company believes that its plans, intentions, expectations and estimates reflected or implied in such forward-looking statements are reasonable, the Company cannot assure you that such plans, intentions, expectations or estimates will be achieved in whole or in part, that the Company has identified all potential risks, or that the Company can successfully avoid or mitigate such risks in whole or in part. You should carefully review the risk factors described in Item 1A – "Risk Factors" in the Company's 2012 Annual Report and any other risks, cautions or information contained in or incorporated by reference into any applicable SEC Report. All forward-looking and other statements and information attributable to the Company or persons acting on its behalf are expressly subject to and qualified by all such risk factors and other risks, cautions and information.

You should not place undue reliance on the Company's forward-looking statements and similar information because the matters they describe are subject to known and unknown risks, uncertainties and other unpredictable factors, many of which are beyond its control. The Company's forward-looking statements, risk factors and other risks, cautions and information (whether contained in this Quarterly Report or other applicable SEC Report) are based on the information currently available to the Company and speak only as of the date specifically referenced, or if no date is referenced, then as of December 31, 2012, in the case of the 2013 Proxy Statement or the last day of the period covered thereby in the case of any other applicable SEC Report. New risks and uncertainties arise from time to time, and it is impossible for the Company to predict these matters or how they may arise or affect the Company. Over time, the Company's actual assets, business, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, prospects, sales, strategies, taxation or other achievements, results, risks or condition will likely differ from those expressed or implied by the Company's forward-looking statements, and such difference could be significant and materially adverse to the Company and the value of your investment in the Company's Common Stock.

The Company does not intend or promise, and the Company expressly disclaims any obligation, to publicly update or revise any forward-looking statements, risk factors or other risks, cautions or information statements (in whole or in part), whether as a result of new information, future events or recognition or otherwise, except as and to the extent required by applicable law.



EXHIBIT INDEX

Exhibit  
Number  
99.1

Description  
Press Release of the Registrant dated May 14, 2013, as attached hereto.



### **SPAR Group Announces 24% Increase in Revenue to \$26.2 Million for the First Quarter 2013**

WHITE PLAINS, NY—(May 14, 2013)- SPAR Group, Inc. (NASDAQ: SGRP) (the "Company" or "SPAR Group"), a leading supplier of retail merchandising and other marketing services throughout the United States and internationally, today announced the financial results for the first quarter ending March 31, 2013. Revenue for the three month period ended March 31, 2013 increased 24% to \$26.2 million.

#### **First Quarter Highlights**

- International revenue increased 40% to \$16.5 million,
  - o Organic and acquisition growth rates were 12% and 28% respectively,
- Gross profit increased 5% to \$6.0 million,
- Net income declined to \$44,000 from \$307,000 from the same period in 2012,
- Domestic business expanded via the acquisition of general merchandising and certain in-store audit services from Market Force Information, and
- We acquired a northern India based subsidiary, which is expected to generate \$2.5 million in annual revenue.

"While we are pleased with the Company's revenue growth during the first three months of 2013 and our expansion efforts both domestically and in India, we experienced a decline in net income due primarily to incremental spending in support of new project startups and recent acquisitions," stated Gary Raymond, Chief Executive Officer of SPAR Group. "Our expansion efforts demonstrate our company's strength across channels, categories and geographies, and reflect the traction we're achieving internationally. Our management team is committed to continuing our most recent performance trends, improving profitability year over year and adding shareholder value."

Mr. Raymond continued, "In addition to the numerous growth opportunities within our international division, we also expect continued growth from our domestic business. Management is committed to forming and strengthening relationships with numerous Fortune 500 companies, and expects to leverage these opportunities into continued 2013 profitability. Our recent acquisition of the merchandising and certain audit services from Market Force Information has expanded our existing client base while providing an introduction into a new line of in-store audit services that are expected to eventually generate annualized revenue in the range of \$7 to \$8 million. We will remain focused on improving both our revenue and profits, as we expect to meet our previously stated annual revenue guidance of \$115 million."

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**Financial Results for the three month period ended March 31, 2013**

	Three Months Ended March 31, (in thousands)			
	2013	2012	Change	
			\$	%
<b>Net Revenue:</b>				
Domestic	\$ 9,689	\$ 9,285	\$ 404	4%
International	16,488	11,762	4,726	40%
Total	\$ 26,177	\$ 21,047	\$ 5,130	24%
<b>Gross Profit:</b>				
Domestic	\$ 3,047	\$ 2,960	\$ 87	3%
International	2,985	2,809	176	6%
Total	\$ 6,032	\$ 5,769	\$ 263	5%
<b>Net Income (Loss):</b>				
Domestic	\$ 191	\$ 263	\$ (72)	(27)%
International	(147)	44	(191)	-
Total	\$ 44	\$ 307	\$ (263)	(86)%
<b>Earnings per Share</b>	\$ -	\$ 0.02	\$ (0.02)	

The increase in Domestic net revenues was directly attributable to the incremental revenue from the recent acquisition of general merchandising and certain in-store audit services from Market Force Information and the acquisition of National Marketing Services in the third quarter of 2012, partially offset by decreases in syndicated services and other project work compared to the same period in 2012.

The increase in 2013 international net revenues was primarily due to incremental revenue from the newly integrated acquisitions in South Africa and Romania, and increased revenue in China and Australia.

Gross profit increased 5% to \$6.0 million for the first quarter of 2013, when compared to \$5.8 million the same period of 2012. Gross profit margins declined to 23% compared to 27% for the same period last year. Domestic gross profit margins at 32% were consistent with last year.

The decline in gross profit margin and net income were due primarily to incremental spending in support of new project startups and recent acquisitions when compared to the same period in 2012.

**Balance Sheet as of March 31, 2013**

As of March 31, 2013, cash and cash equivalents increased to \$3.4 million. Working capital total was \$8.5 million and the Company's current ratio was 1.6 to 1. Total current assets and total assets were \$23.3 million and \$30.0 million, respectively. Total current liabilities and total liabilities were \$14.8 million and \$15.1 million, respectively, and total equity was \$14.9 million at March 31, 2013.

**Stockholder Conference Call**

The Company will host a stockholder conference call on May 16, 2013, at 4:15 p.m. Eastern Daylight Time during which time Mr. Gary Raymond, President and Chief Executive Officer, and Mr. Jim Segreto, Chief Financial Officer, will discuss the Company's first quarter 2013 financial results and provide a stockholder update on recent business developments.

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**About SPAR Group**

SPAR Group, Inc. is a diversified international merchandising and marketing services Company and provides a broad array of services worldwide to help companies improve their sales, operating efficiency and profits at retail locations. The Company provides merchandising and other marketing services to manufacturers, distributors and retailers worldwide, primarily in mass merchandiser, office supply, grocery, drug, independent, convenience, electronics, toy and specialty stores, as well as providing furniture and other product assembly services, audit services, in-store events, technology services and marketing research. The Company has supplied these project and product services in the United States since certain of its predecessors were formed in 1979 and internationally since the Company acquired its first international subsidiary in Japan in May of 2001. Product services include restocking and adding new products, removing spoiled or outdated products, resetting categories "on the shelf" in accordance with client or store schematics, confirming and replacing shelf tags, setting new sale or promotional product displays and advertising, replenishing kiosks, providing in-store event staffing and providing assembly services in stores, homes and offices. Audit services include price audits, point of sale audits, out of stock audits, intercept surveys and planogram audits. Other merchandising services include whole store or departmental product sets or resets (including new store openings), new product launches, in-store demonstrations, special seasonal or promotional merchandising, focused product support and product recalls. The Company operates throughout the United States and internationally in 10 of the most populated countries, including China and India. For more information, visit the SPAR Group's website at <http://www.sparinc.com/>.

**Forward-Looking Statements**

Certain statements in this news release and made in the update conference call are forward-looking, including (without limitation) expectations or guidance respecting customer contract expansion, 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 factors 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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**SPAR Group, Inc. and Subsidiaries**  
Consolidated Statements of Income and Comprehensive Income  
(unaudited)  
(in thousands, except per share data)

	Three Months Ended	
	March 31,	
	2013	2012
Net revenues	\$ 26,177	\$ 21,047
Cost of revenues	20,145	15,278
Gross profit	6,032	5,769
Selling, general, and administrative expense	5,371	5,022
Depreciation and amortization	303	277
Operating income	358	470
Interest expense	31	51
Other income	(13)	(82)
Income before provision for income taxes	340	501
Provision for income taxes	127	42
Net income	213	459
Net income attributable to the non-controlling interest	(169)	(152)
Net income attributable to SPAR Group, Inc.	\$ 44	\$ 307
Net income per basic/diluted common share:		
Net income – basic	\$ -	\$ 0.02
Net income –diluted	\$ -	\$ 0.01
Weighted average common shares - basic	20,465	20,117
Weighted average common shares - diluted	21,612	21,467
Net income	213	459
Other comprehensive income:		
Foreign currency translation adjustments	(198)	(42)
Comprehensive income	\$ 15	\$ 417

**SPAR Group, Inc. and Subsidiaries**  
Consolidated Balance Sheets  
(in thousands, except share and per share data)

	March 31, 2013 <u>(unaudited)</u>	December 31, 2012 <u>(note)</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 3,388	\$ 1,792
Accounts receivable, net	18,489	21,414
Deferred tax	194	194
Prepaid expenses and other current assets	1,261	596
<b>Total current assets</b>	<b>23,332</b>	<b>23,996</b>
Property and equipment, net	1,861	1,777
Goodwill	1,790	1,792
Intangibles	2,698	1,468
Other assets	326	237
<b>Total assets</b>	<b>\$ 30,007</b>	<b>\$ 29,270</b>
<b>Liabilities and equity</b>		
Current liabilities:		
Accounts payable	\$ 4,603	\$ 4,177
Accrued expenses and other current liabilities	7,160	6,729
Accrued expense due to affiliates	1,276	705
Customer deposits	715	263
Lines of credit	1,081	2,393
<b>Total current liabilities</b>	<b>14,835</b>	<b>14,267</b>
Other long-term liabilities	215	268
<b>Total liabilities</b>	<b>15,050</b>	<b>14,535</b>
Equity:		
SPAR Group, Inc. equity		
Preferred stock, \$.01 par value:		
Authorized and available shares - 2,445,598		
Issued and outstanding shares –		
None - March 31, 2012 and December 31, 2012		
Common stock, \$.01 par value:		
Authorized shares - 47,000,000		
Issued and outstanding shares –		
20,474,043 – March 31, 2013		
20,456,453 – December 31, 2012	205	205
Treasury stock	(26)	(26)
Additional paid-in capital	14,872	14,738
Accumulated other comprehensive loss	(580)	(382)
Accumulated deficit	(1,652)	(1,696)
<b>Total SPAR Group, Inc. equity</b>	<b>12,819</b>	<b>12,839</b>
Non-controlling interest	2,138	1,896
<b>Total liabilities and equity</b>	<b>\$ 30,007</b>	<b>\$ 29,270</b>

Note: The Balance Sheet at December 31, 2012, is excerpted from the consolidated audited financial statements as of that date but does not include certain information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

**Contact:**

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