

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 6, 2009

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.)

560 White Plains Road, Suite 210, Tarrytown, New York  
(Address of Principal Executive Offices)

10591  
(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

(a) On May 6, 2009, SPAR Group, Inc. (the "Registrant"), issued the press release attached to this Current Report on Form 8-K (the "Report") as Exhibit 99.1 reporting its financial results for the first quarter ended March 31, 2009, which is incorporated herein by reference.

The information in Item 2.02 of this Report, including Exhibit 99.1, shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. It shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

Item 9.01.

Financial Statements and Exhibits.

(a) Exhibits:

99.1 Press Release of the Registrant dated May 6, 2009.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

SPAR Group, INC.

Date: May 8, 2009

By: /s/ James R. Segreto  
James R. Segreto  
Chief Financial Officer

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EXHIBIT INDEX

Exhibit  
Number

Description

99.1

[Press Release of the Registrant dated May 6, 2009.](#)

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Investor Relations  
Corporate/Financial Communications

## NEWS RELEASE

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### SPAR GROUP REPORTS 2009 FIRST QUARTER FINANCIAL RESULTS

**TARRYTOWN, NY—May 6, 2009**—SPAR Group, Inc. (NASDAQ:SGRP) today reported financial results for the first quarter ended March 31, 2009.

Net revenues totaled \$15.2 million for the first three months of 2009, compared with \$17.5 million for the same period a year ago. The company reported a net loss for the 2009 first quarter of \$195,000, or \$0.01 per share, compared with a net loss of \$250,000, or \$0.01 per share, for the 2008 first quarter. Included in the 2009 first quarter results was other income of \$265,000 resulting from a favorable judgment in a legal action. Selling, general and administrative expenses for the 2009 first quarter decreased to \$4.0 million from \$4.7 million last year.

"Results for the first quarter were impacted by weak conditions throughout the global economy. In the United States, net revenue was adversely impacted by the reported bankruptcy and eventual liquidation of a major electronics retailer and by a reduction of some non-recurring project work versus a year ago," said Gary Raymond, SPAR Group's president and chief executive officer. "Nevertheless, we continued in our efforts to minimize our operating expenses and reduced our net loss as compared with the 2008 first quarter.

"We are working diligently to attract new business opportunities that will increase our revenues, as close attention continues to be paid to maintaining costs. More than ever, the companies we serve are seeking ways to enhance their performance and become more efficient, and SPAR Group is well positioned to provide innovative solutions that will assist them in meeting both objectives."

SPAR Group reported international revenue for the 2009 first quarter of \$9.5 million, compared with \$10.0 million last year. The division posted a net loss of \$74,000, compared with net income of \$69,000, for the 2008 first quarter.

Los Angeles  
New York  
Boston  
Portland

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The U.S. operations recorded revenues of \$5.7 million for the 2009 first quarter, versus \$7.5 million a year ago. The net loss attributable to the company's domestic business amounted to \$121,000, compared with a net loss of \$319,000 for the 2008 first quarter.

#### **About SPAR Group**

SPAR Group, Inc. is a diversified international marketing services company, providing a broad array of services to help companies improve their sales, operating efficiency and profits at retail worldwide. The company provides in-store merchandising, in-store event staffing, RFID and other technology, as well as research, to manufacturers and retailers covering all product classifications and all classes of trade, including mass market, drug store, convenience store and grocery chains. The company operates throughout the United States and internationally in Japan, Canada, Turkey, South Africa, India, Romania, China, Lithuania, Latvia, Estonia, Australia and New Zealand. For more information, visit SPAR Group's Web site, [www.sparinc.com](http://www.sparinc.com).

*Certain statements in this news release are forward-looking, including, but not limited to, attracting new business that will increase SPAR Group's revenues and continuing to maintain costs. 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 these and other factors that could affect future results, performance or trends are discussed in SPAR Group's 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.*

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(Tables follow)

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

	Three Months Ended	
	March 31, 2009	March 31, 2008
Net revenues	\$ 15,171	\$ 17,454
Cost of revenues	<u>11,073</u>	<u>12,484</u>
Gross profit	4,098	4,970
Selling, general and administrative expenses	3,968	4,658
Depreciation and amortization	<u>262</u>	<u>208</u>
Operating (loss) income	(132)	104
Interest expense	61	81
Other (income) expense	<u>(187)</u>	<u>43</u>
Loss before provision for income taxes	(6)	(20)
Provision for income taxes	149	164
Net Loss	(155)	(184)
Less: Net loss attributable to the non-controlling interest	<u>40</u>	<u>66</u>
Net loss attributable to SPAR Group, Inc.	<u>(195)</u>	<u>(250)</u>
Basic/diluted net loss per common share:		
Net loss – basic and diluted	\$ (0.01)	\$ (0.01)
Weighted average common shares – basic and diluted	<u>19,139</u>	<u>19,129</u>

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

	March 31, <u>2009</u>	December 31, <u>2008</u>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 1,366	\$ 1,685
Accounts receivable, net	12,504	13,110
Prepaid expenses and other current assets	822	1,446
Total current assets	<u>14,692</u>	<u>16,241</u>
Property and equipment, net	1,727	1,803
Goodwill	798	798
Other assets	1,829	1,806
Total assets	<u>\$ 19,046</u>	<u>\$ 20,648</u>
<b>Liabilities and equity</b>		
Current liabilities:		
Accounts payable	\$ 5,206	\$ 4,491
Accrued expenses and other current liabilities	4,548	4,911
Accrued expenses due to affiliates	1,207	1,398
Customer deposits	490	582
Lines of credit	3,997	5,494
Total current liabilities	15,448	16,876
Long-term liabilities	45	105
Total liabilities	15,493	16,981
Equity:		
Preferred stock, \$.01 par value:		
Authorized shares-3,000,000		
Issued and outstanding shares-		
554,402 - March 31, 2009		
554,402 - December 31, 2009	6	6
Common stock, \$.01 par value:		
Authorized shares-47,000,000		
Issued and outstanding shares-		
19,139,365 - March 31, 2009		
19,139,365 - December 31, 2008	190	191
Treasury stock	(1)	(1)
Additional paid-in capital	12,875	12,821
Accumulated other comprehensive loss	(367)	(361)
Accumulated deficit	(9,672)	(9,477)
Total SPAR Group, Inc. equity	<u>3,031</u>	<u>3,179</u>
Non-controlling interest	522	488
Total liabilities and equity	<u>\$ 19,046</u>	<u>\$ 20,648</u>