



April 26, 2002

SPAR Group Reports First Quarter Results

Income From Continuing Operations Up 31% for Quarter

TARRYTOWN, N.Y., April 26, 2002 -- SPAR Group, Inc. (Nasdaq:SGRP) today announced results for its first quarter ended March 31, 2002, with income from continuing operations up 31 percent.

Income from continuing operations for the first quarter was \$482,000, or \$0.03 per diluted share, compared with \$367,000, or \$0.02 per diluted share a year earlier. Net income for the first quarter of 2002 was \$482,000, or \$0.03 per diluted share, compared with \$677,000, or \$0.04 per diluted share last year. Net income for the first quarter of 2001 included \$310,000 or \$0.02 per diluted share from the company's Incentive Marketing Division. As previously announced, the company intends to divest its Incentive Marketing Division and reported a non-cash charge for the impairment of goodwill and related costs for this entity in the fourth quarter of 2001. In accordance with accounting for discontinued operations, current year results from the Incentive Marketing business have been charged against the reserve recorded at December 31, 2001. Revenues from continuing operations for the 2002 first quarter increased 7.4 percent to \$16.0 million compared to \$14.9 million a year ago.

"Our business continues to build momentum with companies seeking to measurably impact their return on investment from marketing services. During the quarter, we continued to expand our business with certain key, long-term clients, as well as attract interest in the market place. Our proprietary Internet systems continue to provide us with a significant advantage and we are poised to increase our business as our competitors falter. With the discontinuation of our incentive business, SPAR is now completely focused on its core competencies and we are committed to increasing revenue, both domestically and internationally," said Bob Brown, SPAR Group's chairman and chief executive officer.

Based upon the current business environment, Brown indicated he remains optimistic regarding the company's previous estimate of achieving \$0.28 per diluted share from continuing operations for 2002.

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 three operating divisions. The Merchandising Division provides in-store merchandising, database and research services to general retail, mass market, drug, and grocery chains. Its Technology Division offers a series of Internet-based productivity improvement applications designed to help clients increase operating efficiencies and train employees in remote locations. SPAR's International Division, through a joint venture with a large Japanese wholesaler, provides in-store merchandising, database and research services in general retail, mass market, drug, and grocery chains in the Far East.

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, the success of marketing its Internet application software products 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 March 31,	
	2002	2001
Net revenues	\$ 16,046	\$ 14,941
Cost of revenues	9,751	8,748
Gross profit	6,295	6,193
Selling, general, and administrative expenses	4,967	4,770
Depreciation and amortization	417	630
Operating income	911	793
Interest expense	48	153

Other expense	82	0
Income from continuing operations before income taxes	781	640
Provision for income taxes	299	273
Income from continuing operations	482	367
Income from discontinued operations, net	0	310
Net income	\$ 482	\$ 677
Basic/diluted net income per common share:		
Income from continuing operations	\$ 0.03	\$ 0.02
Income from discontinued operations, net	\$ 0	\$ 0.02
Net income	\$ 0.03	\$ 0.04
Weighted average common shares -- basic	18,584	18,272
Weighted average common shares -- diluted	18,951	18,322

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

	March 31, 2002	December 31, 2001
ASSETS		
Current assets:		
Cash and cash equivalents	\$ --	\$ --
Accounts receivable, net	18,381	21,144
Prepaid expenses and other current assets	557	440
Deferred income taxes	3,241	3,241
Total current assets	22,179	24,825
Property and equipment, net	2,321	2,644
Goodwill and other intangibles, net	8,357	8,357
Deferred income taxes	389	389
Other assets	28	110
Net assets from discontinued operations	4,824	4,830
Total assets	\$ 38,098	\$ 41,155
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 877	\$ 440
Accrued expenses and other current liabilities	6,251	5,868
Restructuring and other charges	1,507	1,597
Due to certain stockholders	2,455	2,655
Current portion of long-term debt	0	57
Net liabilities from discontinued operations	5,822	5,732
Total current liabilities	16,912	16,349
Line of credit and long-term liabilities, net of current portion	7,269	11,287
Long-term debt due to certain stockholders	2,000	2,000
Restructuring and other charges, long-term	497	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 --		
18,585,441 -- 2002 and 18,582,615		
-- 2001	186	186
Additional paid-in capital	10,535	10,531
Retained earnings	699	217
Total stockholders' equity	11,420	10,934
Total liabilities and stockholders' equity	\$ 38,098	\$ 41,155

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