



April 23, 2003

## SPAR Group Reports Sharply Higher First Quarter Results; Net Income Rises 165% on 20% Increase in Revenues

TARRYTOWN, N.Y.--April 23, 2003--SPAR Group, Inc. (Nasdaq:SGRP) today announced strong increases in revenues and income for its first quarter ended March 31, 2003.

Net income for the 2003 three-month period advanced 165% to \$1.3 million, equal to \$.07 per fully diluted share, from \$482,000, or \$.03 per fully diluted share, for the comparable prior year period. Net revenues for the 2003 first quarter rose 20% to \$19.3 million from \$16.0 million a year ago.

The company attributed its positive results primarily to programs implemented last year to enhance the sales and marketing functions of its products and services, as well as to its technological innovations. SPAR Group said results also benefited from related efficiencies of scale and continued attention to cost management.

"The results are particularly gratifying because in the current challenging economic environment, clients recognize that SPAR's unique merchandising expertise can help enhance their sales and profitability," Bob Brown, SPAR Group's chairman and chief executive officer, said. "Increasingly, forward-thinking, bottom-line oriented companies in the retail, as well as manufacturing sectors, are turning to SPAR. They realize that our ability to collect quality information on a real time basis, enables them to act immediately. When you couple that with the ability to deploy people where needed at the retail level, you have a positive, measurable impact on both their sales and market share. We believe the immediate outlook for SPAR Group remains strong and anticipate a solid year ahead," Brown added.

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 on 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.  
Consolidated Statements of Operations  
(unaudited)  
(In thousands, except per share data)

	Three Months Ended	
	March 31, 2003	March 31, 2002
	-----	-----
Net revenues	\$19,322	\$16,046
Cost of revenues	11,251	9,751
Gross profit	8,071	6,295
Selling, general, and administrative expenses	5,526	4,967
Depreciation and amortization	378	417
Operating income	2,167	911

Interest expense	68	48
Other expense	38	82
Income before provision for income taxes	2,061	781
Provision for income taxes	783	299
Net income	\$1,278	\$482
Basic/diluted net income per common share:		
Net Income - basic	\$0.07	\$0.03
- diluted	\$0.07	\$0.03
Weighted average common shares - basic	18,841	18,584
Weighted average common shares - diluted	19,443	18,951

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

	March 31, 2003	December 31, 2002
-----		
ASSETS		
Current assets:		
Cash and cash equivalents	\$--	\$--
Accounts receivable, net	19,294	17,415
Prepaid expenses and other current assets	989	783
Deferred income taxes	903	903
Total current assets	21,186	19,101
Property and equipment, net	2,015	1,972
Goodwill	7,858	7,858
Deferred income taxes	705	705
Other assets	333	121
Total assets	\$32,097	\$29,757
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$695	\$422
Accrued expenses and other current liabilities	6,215	6,097
Accrued expense due to affiliates	2,030	958
Restructuring charges, current	773	1,354
Due to certain stockholders	951	3,951
Total current liabilities	10,664	12,782
Line of credit	3,617	148
Restructuring charges, long-term	--	235
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		

- 18,857,475 - March 31, 2003 and		
18,824,527 - December 31, 2002	188	188
Treasury Stock	(108)	(30)
Additional paid-in capital	10,942	10,919
Retained Earnings	6,794	5,515
Total stockholders' equity	17,816	16,592
Total liabilities and		
stockholders' equity	\$32,097	\$29,757

Contacts: SPAR Group, Inc.  
Charles Cimitile, 914/332-4100

PondelWilkinson MS&L  
Roger S. Pondel, 323/866-6060