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SPAR Group Announces South African JV That Will Generate \$7 Million in Revenue

TARRYTOWN, NY -- (Marketwire) -- 10/04/12 -- 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 that the company, through its subsidiary in South Africa (SGRP Meridian), has completed the signing of a joint venture agreement to expand its operations in South Africa. SGRP Meridian will control a 51% ownership interest in the new company; CMR Meridian (Pty) Ltd. Partnering with SGRP Meridian in this new subsidiary is Combined Manufacturers National (Pty) Ltd, a leading merchandising and marketing services company providing services in the "Inland Territory" of South Africa.

Combining the resources and expertise of these two companies should expand their respective profitability through realized operational synergies. In addition, their respective client bases will now enjoy the opportunity to secure a continuous merchandising and marketing program on a national basis in South Africa. Based on this transaction alone, SPAR's annualized revenue in this critical territory is projected to increase by approximately \$7 million.

"SPAR Group is extremely pleased to announce our geographic expansion throughout this pivotal international location," said Gary Raymond, Chief Executive Officer of SPAR Group Inc. "CMR Meridian" will augment our international revenue while providing a true national retail presence throughout South Africa. This joint venture coupled with our recently announced \$3.5 million contract, also pertaining to retail markets within the country's inland areas, has solidified South Africa as one of SPAR Groups largest international businesses. We continue to drive strong growth in our international division and this will increase our profitability starting in the fourth quarter of 2012."

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, in-store events, radio frequency identification ("RFID") services, 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. 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 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 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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