



November 10, 2003

SPAR Group Reports Third Quarter, Nine-Months Results

TARRYTOWN, N.Y., Nov 10, 2003 -- SPAR Group, Inc. (Nasdaq:SGRP) today reported financial results for the third quarter and nine months ended September 30, 2003.

The company sustained a net loss for the quarter of \$345,000, equal to \$0.02 per fully diluted share, compared with net income of \$1.2 million, or \$0.06 per fully diluted share, a year ago. Net revenue for the 2003 third quarter amounted to \$16.6 million vs. \$17.8 million last year.

Net income for the 2003 year-to-date period was \$1.5 million, equal to \$0.08 per fully diluted share, compared with \$2.8 million, or \$0.14 per fully diluted share, for the first nine months of 2002. Net revenue rose to \$52.7 million from \$51.4 million last year.

"A lower level of sales, reflecting an increasingly competitive environment, had a disproportionate impact on earnings for the third quarter," said Bob Brown, SPAR Group's chairman and chief executive officer. "Higher selling, general and administrative expenses, along with increased field costs, also affected the quarter.

"While we are currently implementing cost reductions throughout the company, we will continue to invest in systems, technology and a number of growth programs that we believe will enhance returns over the long term," Brown said. "Domestically, we plan to expand our merchandising services through development of new products as well as the development of attractive sales and marketing programs. We also plan to expand our in-store demonstration business through both acquisition and organic growth. Internationally, we will focus on acquisitions, as well as joint ventures in various countries.

"SPAR's merchandising expertise has proven to enhance our customers' sales and profitability," Brown said. "We believe SPAR is well positioned to attract new customers and increase business with our existing customer base. While the investments we are currently making may have a short term negative impact on operating results, and not all of the cost reductions will have an immediate impact, we believe the actions we are taking now will improve SPAR's profitability in the future."

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, in-store demonstration, 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 are forward-looking, including, but not limited to, benefits to be derived from cost reductions, new products, sales and marketing programs and international expansion. 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, continued technological superiority over its competitors, continued availability of capable dedicated personnel, continued cost management, the success of its international efforts, the success and availability of acquisitions, 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		Nine Months Ended	
	Sept. 30,	Sept. 30,	Sept. 30,	Sept. 30,
	2003	2002	2003	2002
Net revenues	\$16,615	\$17,775	\$52,704	\$51,363
Cost of revenues	11,380	10,760	33,777	31,102
Gross profit	5,235	7,015	18,927	20,261

Selling, general and

administrative expenses	5,334	4,571	15,044	14,212
Depreciation and amortization	385	467	1,162	1,345
Operating (loss) income	(484)	1,977	2,721	4,704
Interest expense	69	144	209	231
Other expense	-	32	28	166
(Loss) income before provision for income taxes	(553)	1,801	2,484	4,307
(Benefit) provision for income taxes	(208)	588	943	1,544
Net (loss) income	\$(345)	\$1,213	\$1,541	\$2,763
Net (loss) income per common share:				
Basic	\$(0.02)	\$0.06	\$0.08	\$0.15
Diluted	\$(0.02)	\$0.06	\$0.08	\$0.14
Weighted average common shares				
- basic	18,859	18,696	18,853	18,700
Weighted average common shares				
- diluted	18,859	19,103	19,508	19,118

SPAR Group, Inc.
Consolidated Balance Sheets
(unaudited)

(in thousands, except share and per share data)

	Sept. 30, 2003	Dec. 31, 2002
ASSETS		
Current assets:		
Cash and cash equivalents	\$ -	\$ -
Accounts receivable, net	15,002	16,458
Prepaid expenses and other current assets	1,055	783
Deferred income taxes	707	903
Total current assets	16,764	18,144
Property and equipment, net	2,166	1,972
Goodwill	8,157	7,858
Deferred income taxes	648	705
Other assets	664	121
Total assets	\$ 28,399	\$ 28,800
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 1,219	\$ 422
Accrued expenses and other current liabilities	2,700	5,140
Accrued expense due to affiliates	1,628	958
Restructuring charges, current	772	1,354
Line of credit, short-term	4,673	-
Due to certain stockholders	-	3,951
Total current liabilities	10,992	11,825
Line of credit, long-term	-	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 -		
18,858,972 - September 30, 2003		
18,824,527 - December 31, 2002	189	188
Treasury stock	(710)	(30)
Additional paid-in capital	10,872	10,919
Retained earnings	7,056	5,515
Total stockholders' equity	17,407	16,592
Total liabilities and stockholders' equity	\$ 28,399	\$ 28,800

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