

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 1, 2008

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 250, Tarrytown, New York
(Address of Principal Executive Offices)

10591
(Zip Code)

Registrant's telephone number, including area code: (914) 332-4100

555 White Plains Road, Suite 250, Tarrytown, New York

10591

(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))
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Item 2.02. Results of Operations and Financial Condition.

(a) On May 1, 2008, 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, 2008, 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 1, 2008.

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 12, 2008

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

EXHIBIT INDEX

Exhibit
Number

Description

99.1

[Press Release of the Registrant dated May 1, 2008.](#)

SPAR Group Reports 2008 First Quarter Financial Results

TARRYTOWN, N.Y., May 1, 2008 (PRIME NEWSWIRE) -- SPAR Group, Inc. (Nasdaq:SGRP) today reported improved financial results for the first quarter ended March 31, 2008.

Net revenues for the 2008 first quarter rose 13% to \$17.5 million from \$15.4 million a year ago. The company's net loss narrowed to \$250,000, equal to \$0.01 per share, for the 2008 first quarter, from a net loss of \$509,000, or \$0.03 per share, last year. Selling, general and administrative expenses for the 2008 first quarter decreased to \$4.7 million from \$5.0 million a year ago.

"The improved first quarter results reflect solid growth from our international operations, which posted net profits for the first time since 2005, as well as management's efforts to control expenses," said Gary Raymond, SPAR Group's president and chief executive officer. "Economic conditions in the United States continue to impact our domestic operations, but we are actively concentrating on programs to grow revenues, and provide solutions to our existing and prospective clients as they seek ways to enhance their operations."

SPAR reported that international revenue for the 2008 first quarter rose 43% to \$10.0 million from \$7.0 million last year. The division posted net income of \$69,000, compared with a net loss of \$118,000 for the 2007 first quarter.

Revenue in the U.S. for the 2008 first quarter amounted to \$7.5 million, compared with \$8.4 million a year ago. Net loss attributable to the company's U.S. operations amounted to \$319,000 for the 2008 first quarter, compared with a net loss of \$391,000 last year.

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.

Certain statements in this news release are forward-looking, including, but not limited to, further benefits to be derived from the continued efforts to grow domestic revenues and curtail 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.

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

	Three Months Ended	
	March 31, 2008	March 31, 2007
Net revenues	\$ 17,454	\$ 15,413
Cost of revenues	<u>12,484</u>	<u>10,498</u>
Gross profit	4,970	4,915
Selling, general and administrative expenses	4,658	5,005
Depreciation and amortization	<u>208</u>	<u>197</u>
Operating income (loss)	104	(287)
Interest expense	81	89
Other expense	<u>43</u>	<u>21</u>
Loss before provision for income taxes and minority interest	(20)	(397)
Provision for income taxes	<u>164</u>	<u>67</u>
Loss before minority interest	(184)	(464)
Minority interest	<u>66</u>	<u>45</u>
Net loss	<u>\$ (250)</u>	<u>\$ (509)</u>
Basic/diluted net loss per common share:		
Net loss - basic/diluted	\$ (0.01)	\$ (0.03)
Weighted average common shares – basic	<u>19,129</u>	<u>18,934</u>
Weighted average common shares – diluted	<u>19,129</u>	<u>18,934</u>

Note: Certain reclassifications have been made to the prior period financials to conform to the current period presentation.

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

	March 31,	December 31,
	2008	2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,409	\$ 1,246
Accounts receivable, net	12,991	13,748
Prepaid expenses and other current assets	1,177	975
Total current assets	16,577	15,969
Property and equipment, net	1,466	1,528
Goodwill	798	798
Other assets	1,679	1,648
Total assets	\$ 20,520	\$ 19,943
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 4,654	\$ 3,631
Accrued expenses and other current liabilities	4,735	3,981
Accrued expenses due to affiliates	1,808	2,107
Customer deposits	747	580
Lines of credit	5,055	6,119
Total current liabilities	16,999	16,418
Other long-term liabilities	266	299
Minority Interest	741	676
Total liabilities	18,006	17,393
Commitments and contingencies		
Stockholders' equity:		
Preferred stock, \$.01 par value:		
Authorized shares-3,000,000		
Issued and outstanding shares-		
89,286 - March 31, 2008	1	—
Common stock, \$.01 par value:		
Authorized shares-47,000,000		
Issued and outstanding shares-		
19,129,177 - March 31, 2008		
19,089,177 - December 31, 2007	191	191
Treasury stock	(1)	(1)
Additional paid-in capital	12,198	11,982
Accumulated other comprehensive loss	(46)	(43)
Accumulated deficit	(9,829)	(9,579)
Total stockholders' equity	2,514	2,550
	\$ 20,520	\$ 19,943

CONTACT:

SPAR Group, Inc.

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(914) 332-4100

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