

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): August 11, 2003

SPAR Group, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware	0-27824	33-0684451
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(State or Other Jurisdiction of Incorporation)	(Commission File No.)	(IRS Employer Identification No.)
580 White Plains Road, Tarrytown, New York		10591
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(Address of Principal Executive Offices)		(Zip Code)

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

(Former Name or Former Address, if Changed Since Last Report)

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits:

99.1 Press Release of the Registrant dated August 11, 2003.

Item 12. Results of Operations and Financial Condition.

On August 11, 2003, 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 three months ended June 30, 2003, which is incorporated herein by reference.

The information in this Report, including the exhibit, 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.

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: August 12, 2003

By: /s/ CHARLIE CIMITILE

Charlie Cimitile
Chief Financial Officer

EXHIBIT INDEX

Exhibit
Number

Description

99.1 Press Release of the Registrant dated August 11, 2003.

CONTACTS: Charles Cimitile
Chief Financial Officer
SPAR Group, Inc.
(914) 332-4100

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SPAR GROUP REPORTS SECOND QUARTER RESULTS

TARRYTOWN, NY -- AUGUST 11, 2003 -- SPAR Group, Inc. (NASDAQ:SGRP) today reported financial results for the second quarter and six months ended June 30, 2003.

Net income for the 2003 second quarter amounted to \$608,000, equal to \$0.03 per share, on net revenues of \$17.4 million. For the comparable prior year period, the company recorded net income of \$1.1 million, or \$0.06 per share, on net revenues of \$17.5 million.

For the 2003 year-to-date period, net income advanced 21.5% to \$1.9 million, equal to \$0.10 per share, from \$1.6 million, or \$0.08 per share, a year ago. Net revenues for the first half of 2003 rose 7.4% to \$36.1 million from \$33.6 million last year.

The company said results for the quarter were impacted primarily by external economic factors affecting the retail sector.

"The second quarter was challenging for retailers throughout the nation, and, hence, for most of our customers," said Bob Brown, SPAR Group's chairman and chief executive officer. "In turn, our customers utilized our services to a lesser degree, restraining our revenues and impacting earnings. Additionally, costs associated with the completion earlier in the year of two acquisitions and a restructuring of our field organization also impacted results. The acquisitions, as

(more)

Los Angeles New York Atlanta Boston Portland

SPAR Group, Inc.
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well as the field organization restructuring, however, are expected to positively contribute to our performance in the future. However, if these revenue challenges continue during the 3rd and 4th quarter, the Company would fall short of our previously announced goal of \$0.33 in earnings per share for 2003."

"Our business base remains strong, and the company's foundation is solid," Brown said. "We are intensifying our marketing efforts, paying close attention to costs and getting our message across to existing and prospective clients that SPAR's unique merchandising expertise can help enhance their sales and profitability."

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 are forward-looking, including, but not limited to, benefits from the company's two acquisitions completed earlier in the year and from the field organization restructuring, 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.

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(Tables Follow)

SPAR GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME
(unaudited)
(In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	June 30, 2003	June 30, 2002	June 30, 2003	June 30, 2002
Net Revenues	\$ 17,351	\$ 17,542	\$ 36,090	\$ 33,588
Cost of revenues	11,146	10,591	22,397	20,342
Gross profit	6,205	6,951	13,693	13,246
Selling, general and administrative expenses	4,768	4,675	9,711	9,642
Depreciation and amortization	399	460	777	877
Operating income	1,038	1,816	3,205	2,727
Interest expense	72	38	140	86
Other (income) expense	(10)	52	28	134
Income before provision for income taxes	976	1,726	3,037	2,507
Provision for income taxes	368	657	1,151	956
Net Income	\$ 608	\$ 1,069	\$ 1,886	\$ 1,551
Net Income per common share (basic/diluted)	\$ 0.03	\$ 0.06	\$ 0.10	\$ 0.08
Weighted average common shares - basic	18,858	18,593	18,850	18,592
Weighted average common shares - diluted	19,538	19,021	19,447	19,021

SPAR GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(unaudited)
(In thousands, except share and per share data)

	June 30, 2003	December 31, 2002
	-----	-----
ASSETS		
Current assets:		
Cash and cash equivalents	\$ -	\$ -
Accounts receivable, net	19,504	17,415
Prepaid expenses and other current assets	1,208	783
Deferred income taxes	707	903
	-----	-----
Total current assets	21,419	19,101
Property and equipment, net	2,267	1,972
Goodwill	8,100	7,858
Deferred income taxes	648	705
Other assets	677	121
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Total assets	\$ 33,101	\$ 29,757
	=====	=====
LIABILITIES & STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 958	\$ 422
Accrued expenses and other current liabilities	5,229	6,097
Accrued expense due to affiliates	1,535	958
Restructuring charges, current	772	1,354
Due to certain stockholders	-	3,951
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Total current liabilities	8,494	12,782
Line of credit	6,648	148
Restructuring charges, long-term	-	235
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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 - June 30, 2003 and 18,824,527 - December 31, 2002	189	188
Treasury Stock	(582)	(30)
Additional paid-in capital	10,951	10,919
Retained Earnings	7,401	5,515
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Total stockholders' equity	17,959	16,592
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Total liabilities and stockholders' equity	\$ 33,101	\$ 29,757
	=====	=====