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## **SPAR Group Completes Acquisition of National Marketing Services Assets**

TARRYTOWN, N.Y., Jan. 21, 2010 -- SPAR Group, Inc. (Nasdaq:SGRP) (the "Company" or "SPAR"), a leading supplier of retail merchandising and other marketing services throughout the United States and internationally, today announced it has completed the acquisition of key assets of National Marketing Services ("NMS"). The transaction is expected to generate at least \$6 million in additional revenues to SPAR's 2010 revenues.

By acquiring NMS's U.S. and Canadian operations, SPAR is executing its plan to close transactions which are synergistic to their core businesses, by adding profitable businesses with strong customer relationships, while experiencing minimal to no dilution for shareholders. This transaction is in line with the Company's strategy to seek opportunities which will accelerate growth. This acquisition is being funded with existing working capital and will not be dilutive to SPAR's shareholders. The final purchase price of the acquisition is subject to financial performance covenants based on 2010 and 2011 year end revenue performance.

NMS consists of two profitable entities which will add to SPAR's merchandising and marketing services business including further expansion throughout U.S. and Canada, while providing exposure to a new client base. NMS's U.S. based operations are divided into two merchandising segments. The general merchandising business will be incorporated into SPAR's U.S. operations and its furniture assembly business will continue to operate as a separate division with its own dedicated management and work force. This operation is responsible for assembling furniture in both major retailers and in homes and small businesses for the customers of these large retailers. The NMS's Canadian operations perform similar merchandising and marketing services as its current business and will be incorporated into SPAR's existing Canadian operation.

With the close of the acquisition, key members of the NMS team will be retained by SPAR Group's respective subsidiaries and daily operations will be consolidated and reside under SPAR's U.S. and Canadian divisions. Bill Brenner, President of NMS, will retain a key management role with SPAR related to the acquired assets.

"We are pleased to announce the successful completion of this asset acquisition which adds a considerable amount of new clients and revenue, while being non dilutive to our shareholders. As we enter 2010, management has identified several other potential high quality transactions that will materially grow our business," said Gary Raymond, President and CEO of SPAR Group Inc. "Bill Brenner and his team at NMS have built a strong business and reputation in the retail merchandising and services market over the last 25 years with prominent national and international retailers and manufacturers. The addition of NMS to our portfolio of merchandising and marketing service offerings will allow us to strengthen our long-term competitive position in our targeted markets and enable us to service a much broader range of retailers and manufacturers."

### **About National Marketing Services**

Founded more than 27 years ago by Phil Brenner, National Marketing Services was a privately held company providing merchandising services to a variety of manufacturing and retail partners throughout the United States and Canada. NMS last year serviced nearly a half million retail locations throughout North America. The company had nearly 2,000 employees, managed nationally and in Canada through four geographic regions and 26 districts.

### **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. SPAR Group provides product services, project services, in-store events, radio frequency identification ("RFID"), technology services and marketing research covering all product and trade classifications, including mass market, drug store, convenience store and grocery chains. Product services include product additions; placement, reordering, replenishment, labeling, evaluation and deletions, and project services include seasonal and special product promotions, product recalls and complete setups of departments and stores. The company operates throughout the United States and internationally in 12 of the most populated countries, including China and India. For more information, visit the SPAR Group's Web site at [www.sparinc.com](http://www.sparinc.com).

Certain statements in this news release and such conference call are forward-looking, including (without limitation) growing revenues and profits through 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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