

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 7, 2012

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

10591
(Zip Code)

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

(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))

Item 2.02. Results of Operations and Financial Condition.

On August 7, 2012, we, SPAR Group, Inc. ("SGRP" or the "Registrant"), and its subsidiaries (together with SGRP, "we", "our" or the "Company"), issued a press release (the "Earnings Release") reporting our net income and revenue for our fiscal quarter and six-month period that ended on June 30, 2011 (our "2012 Second Quarter").

A copy of the Earnings Release is attached to this Current Report on Form 8-K (this "Report") as Exhibit 99.1 and is hereby incorporated herein by reference.

Item 8.01. Other Events.

Earnings Press Release:

The Earnings Release also included our announcement that we would hold on a public conference call for our shareholders and others at 11:00 am on Monday, August 13, 2012, during which management will discuss our financial results for our 2012 Second Quarter.

The Earnings Release also noted that we intend to file our Form 10-Q respecting our 2012 Second Quarter with the Securities and Exchange Commission on or about August 10, 2012.

Conference Call Press Release:

On August 8, 2012, we issued a press release (the "Call Release") confirming that the Company will host a shareholder update conference call on Monday, August 13, at 11:00 a.m. Eastern Daylight Time. Hosting the call for the Company will be Gary Raymond, President and Chief Executive Officer, and Jim Segreto, Chief Financial Officer. During the call management will discuss the Company's Second Quarter 2012 financial results and provide a shareholder update on recent business developments.

Conference Call Details:

Date: Monday, August 13, 2012

Time: 11:00 a.m. EDT

Dial In-Number: 1-877-941-2068

International Dial-In Number: 1-480-629-9712

A telephonic replay of the conference call may be accessed approximately three hours after the call through August 20, 2012 by dialing 1-877-870-5176, or 1-858-384-5517 for international callers, and entering the replay pin number 4557630. There will also be a simultaneous audio feed webcast and archived recording of the conference call available at <http://www.sparinc.com> under the "Investor Relations" menu section and "News Releases" sub-menu of the website, or you may use the link audio feed and archived recording of the conference call available at <http://www.viavid.net/>.

A copy of the Call Release is attached to this Report as Exhibit 99.2 and is hereby incorporated herein by reference.

Information Not "Filed"

The information in Items 2.02 and 8.01 of this Report and each of the Press Release and Call Release (each a "Release") attached as Exhibits 99.1 and 99.2, respectively, and any information that may be conveyed in such conference call, shall, to the greatest extent permitted by applicable law, not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section. Such information, to the extent deemed or determined to have been not "filed" under applicable law, shall not be deemed incorporated by reference in any filing by us under the Securities Act of 1933, as amended (the "Securities Act", and together with the Exchange Act, the "Securities Laws"), except as shall be expressly set forth by specific reference in such a filing.

Forward Looking Statements

Statements contained in this Report and each attached Releases, and any statements that may be made in such conference call, include "forward-looking statements" within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act, including (without limitation) any statements relating to anticipated, prospective or desired customers, acquisitions or markets, trends, updates, or other anticipated, estimated, expected or desired assets, business, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, prospects, sales, strategies, taxation or other achievement, results, risks or condition. You can identify forward-looking statements in such information by the Company's use of terms such as "may", "will", "expect", "intend", "believe", "estimate", "anticipate", "continue" or similar words or variations or negatives of those words. You should carefully consider all such information and the other risks and cautions noted in the Company's Annual and Quarterly Reports and other filings under applicable Securities Laws (including this report, each a "SEC Report", each of which is available on the Company's website at <http://investors.sparinc.com>) that could cause the Company's actual assets, business, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, prospects, sales, strategies, taxation or other achievement, results, risks or condition to differ materially from those anticipated by the Company and described in the information in the Company's forward-looking statements, whether express or implied, as the Company's anticipations are based upon the Company's plans, intentions, expectations and best estimates and (although the Company believe them to be reasonable) involve known and unknown risks, uncertainties and other factors that could cause them to fail to occur or be realized or to be materially and adversely different from those the Company anticipated.

Although the Company believe that its plans, intentions, expectations and estimates reflected or implied in such forward-looking statements are reasonable, the Company cannot assure you that such plans, intentions, expectations or estimates will be achieved in whole or in part, that the Company has identified all potential risks, or that the Company can successfully avoid or mitigate such risks in whole or in part. You should carefully review the risk factors described below (See Item 1A – Risk Factors) and any other cautionary statements contained or incorporated by reference in this Annual Report. All forward-looking and other statements attributable to the Company or persons acting on its behalf are expressly subject to and qualified by all such risk factors and other cautionary statements.

You should not place undue reliance on the Company's 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 its control. The Company's forward-looking statements are based on the information currently available to it and speak only as of the referenced date(s) or, in the case of forward-looking statements incorporated by reference, as of the date of the SEC Report that includes such statement. New risks and uncertainties arise from time to time, and it is impossible for the Company to predict these matters or how they may arise or affect the Company. Over time, the Company's actual assets, business, capital, cash flow, credit, expenses, financial condition, income, liabilities, liquidity, locations, marketing, operations, prospects, sales, strategies, taxation or other achievement, results, risks or condition will likely differ from those expressed or implied by the Company's forward-looking statements, and such difference could be significant and materially adverse to the Company and the value of your investment in the Company's Common Stock.

The Company does not intend or promise, and the Company expressly disclaims any obligation, to publicly update or revise any forward-looking statements, risk factors or other cautionary statements (in whole or in part), whether as a result of new information, future events or recognition or otherwise, except as and to the extent required by applicable law.

Item 9.01. Financial Statements and Exhibits.

- (a) Exhibits:
- 99.1 Press Release of the Registrant dated August 7, 2012, as attached hereto.
 - 99.2 Press Release of the Registrant dated August 8, 2012, as attached hereto.

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 8, 2012

By: /s/ James R. Segreto

James R. Segreto, Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press Release of the Registrant dated August 7, 2012, as attached hereto.
99.2	Press Release of the Registrant dated August 8, 2012, as attached hereto.



SPAR Group Reports 53% Increase in Second Quarter, Year-Over-Year Revenue to \$24.3 million

The Company Achieves \$0.03 Diluted EPS for Q2

TARRYTOWN, NY – August 7, 2012 - 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 second quarter 2012 financial results, including revenue of \$24.3 million, gross profit of \$6.7 million and net income attributable to SPAR Group, Inc. of \$718,000. In the first six months of 2012 the Company achieved revenue of \$45.4 million, gross profit of \$12.5 million and diluted earnings per share of \$0.05.

Company Highlights

- Second quarter 2012 domestic net income increased 66% to \$928,000.
- Second quarter consolidated net income attributable to SPAR Group, Inc. increased 41% to \$0.03 per diluted share.
- Consolidated revenue for the first six months of 2012 increased 40% to \$45.4 million.
- Consolidated net income attributable to SPAR Group, Inc. for the first six months of 2012 increased 35% to \$1.0 million.
- Working capital continued to improve.

"We are pleased by the 35% growth in our net income for the first six months of 2012, based on the success we experienced in our domestic operations," stated Gary Raymond, Chief Executive Officer of SPAR Group. "We are currently in discussions with several Fortune 500 companies and expect to secure additional contracts that will augment our rapidly escalating revenue base and net income. The Company is confident that we have successfully implemented our long-term plan to reposition the Company for sustained, profitable growth for the foreseeable future. Our first six months results provide us with confidence in meeting our 2012 guidance of \$90 million in revenue."

Mr. Raymond continued, "Our international division's net revenue grew by 105% in the second quarter based on strong growth from recent acquisitions in Mexico, Romania and Turkey. These additions provide proof of efficacy in our acquisition model. We have identified several potential acquisition candidates that could provide immediate earnings to our bottom-line. Our financial growth is typically the strongest during the second half of the year, and we fully expect that trend to persist in 2012."

Financial Results for the three and six month periods ended June 30, 2012 and 2011

	For the Three Months Ended June 30,				For the Six Months Ended June 30,			
	2012	2011	Change		2012	2011	Change	
			\$	%			\$	%
Net Revenue:								
Domestic	\$ 10,881	\$ 9,367	\$ 1,514	16%	\$ 20,166	\$ 18,889	\$ 1,277	7%
International	13,462	6,577	6,885	105%	25,224	13,474	11,750	87%
Total	\$ 24,343	\$ 15,944	\$ 8,399	53%	\$ 45,390	\$ 32,363	\$ 13,027	40%
Gross Profit:								
Domestic	\$ 3,744	\$ 2,930	\$ 814	28%	\$ 6,704	\$ 6,208	\$ 496	8%
International	2,964	2,027	937	46%	5,773	3,985	1,788	45%
Total	\$ 6,708	\$ 4,957	\$ 1,751	35%	\$ 12,477	\$ 10,193	\$ 2,284	22%
Net Income attributable to SPAR Group, Inc.:								
Domestic	\$ 928	\$ 560	\$ 368	66%	\$ 1,190	\$ 1,059	\$ 131	12%
International	(210)	(51)	(159)	(312)%	(165)	(297)	132	44%
Total	\$ 718	\$ 509	\$ 209	41%	\$ 1,025	\$ 762	\$ 263	35%
Earnings per Diluted Share:								
	\$ 0.03	\$ 0.02	\$ 0.01		\$ 0.05	\$ 0.04	\$ 0.01	

Consolidated net revenue for the three and six month periods ended June 30, 2012 increased 53% and 40%, respectively, when compared to the same periods in 2011. The increases in net revenue were primarily due to our new subsidiaries in Mexico, Romania and Turkey and strong performances in South Africa and Japan combined with continued growth in our domestic operations resulting from new client initiatives and continued organic growth from our syndicated service and assembly businesses.

Consolidated gross profit for the three and six month periods ended June 30, 2012 increased 35% and 22%, respectively, when compared to the prior year due primarily to our international expansion efforts and improved margins in our domestic operations.

Net income attributable to SPAR Group, Inc. increased 41% and 35% for the three and six month periods ended June 30, respectively, when compared to the same period a year ago. The increase for the three month period ended June 30, 2012 was driven by a 66% increase in domestic operations while international net income declined for the same period primarily due to margin pressure in our Canadian market. The improvement in net income for the six month period ended June 30, 2012 was equally attributed to the improved performances in both the domestic and international divisions.

Balance Sheet as of June 30, 2012

As of June 30, 2012 our working capital improved to \$8.2 million and our current ratio was to 1.7 to 1. Total current assets and total assets were \$19.8 million and \$23.5 million, respectively, and cash and cash equivalents totaled \$1.7 million at June 30, 2012. Total current liabilities and total liabilities were \$11.5 million and \$11.9 million, respectively and total equity was \$10.5 million at June 30, 2012.

The Company currently plans to file its Quarterly Report on Form 10-Q with the Securities and Exchange Commission on or before August 10, 2012 and to host a shareholder conference call on August 13, 2012 at 11:00 a.m. eastern daylight time.

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 merchandisers, office supply, grocery and drug store chains, independent, convenience and electronics stores, as well as providing furniture and other product assembly services, in-store events, radio frequency identification ("RFID") and related 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 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 world in 10 of the most populated countries, including China and India. For more information, visit the SPAR Group's Web site at <http://www.sparinc.com/>.

Certain statements in this news release and such conference call are forward-looking, including (without limitation) expectations or guidance respecting customer contract expansion, increasing revenues, profits and earnings per share, through organic growth and acquisitions, attracting new business that will increase SPAR Group's revenues, continuing to maintain costs and consummating any acquisitions or other 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.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	2012	2011
Net revenues	\$ 24,343	\$ 15,944	\$ 45,390	\$ 32,363
Cost of revenues	17,635	10,987	32,913	22,170
Gross profit	6,708	4,957	12,477	10,193
Selling, general, and administrative expense	5,634	4,137	10,655	8,711
Depreciation and amortization	293	265	570	528
Operating income	781	555	1,252	954
Interest expense	12	24	63	106
Other expense (income)	75	(2)	(7)	7
Income before provision for income taxes	694	533	1,196	841
Provision for income taxes	58	29	101	53
Net income	636	504	1,095	788
Net loss (income) attributable to the non-controlling interest	82	5	(70)	(26)
Net income attributable to SPAR Group, Inc.	<u>\$ 718</u>	<u>\$ 509</u>	<u>\$ 1,025</u>	<u>\$ 762</u>
Net income per basic/diluted common share:				
Net income – basic	<u>\$ 0.04</u>	<u>\$ 0.03</u>	<u>\$ 0.05</u>	<u>\$ 0.04</u>
Net income –diluted	<u>\$ 0.03</u>	<u>\$ 0.02</u>	<u>\$ 0.05</u>	<u>\$ 0.04</u>
Weighted average common shares - basic	<u>20,134</u>	<u>20,012</u>	<u>20,125</u>	<u>19,826</u>
Weighted average common shares - diluted	<u>22,320</u>	<u>21,656</u>	<u>22,306</u>	<u>21,387</u>
Net income	\$ 636	\$ 504	\$ 1,095	\$ 788
Other comprehensive income:				
Foreign currency translation adjustments	(153)	2	(195)	25
Comprehensive income	<u>\$ 483</u>	<u>\$ 506</u>	<u>\$ 900</u>	<u>\$ 813</u>

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

	June 30, 2012 <u>(unaudited)</u>	December 31, 2011 <u>(note)</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,722	\$ 1,705
Accounts receivable, net	17,344	15,461
Prepaid expenses and other current assets	<u>701</u>	<u>801</u>
Total current assets	19,767	17,967
Property and equipment, net	1,724	1,523
Goodwill	1,148	1,148
Intangibles	637	705
Other assets	<u>261</u>	<u>178</u>
Total assets	<u>\$ 23,537</u>	<u>\$ 21,521</u>
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 3,220	\$ 1,819
Accrued expenses and other current liabilities	5,035	4,039
Accrued expense due to affiliates	1,600	1,092
Customer deposits	424	183
Lines of credit	<u>1,246</u>	<u>3,641</u>
Total current liabilities	11,525	10,774
Long-term debt and other liabilities	<u>375</u>	<u>334</u>
Total liabilities	11,900	11,108
Equity:		
SPAR Group, Inc. equity		
Preferred stock, \$.01 par value:		
Authorized and available shares - 2,445,598		
Issued and outstanding shares –		
None – June 30, 2012		
None - December 31, 2011	-	-
Common stock, \$.01 par value:		
Authorized shares - 47,000,000		
Issued and outstanding shares –		
20,136,418 – June 30, 2012		
20,103,043 – December 31, 2011	201	201
Additional paid-in capital	14,225	13,940
Accumulated other comprehensive loss	(367)	(172)
Accumulated deficit	<u>(3,601)</u>	<u>(4,626)</u>
Total SPAR Group, Inc. equity	10,458	9,343
Non-controlling interest	<u>1,179</u>	<u>1,070</u>
Total liabilities and equity	<u>\$ 23,537</u>	<u>\$ 21,521</u>

Note: The Balance Sheet at December 31, 2011, is excerpted from the consolidated audited financial statements as of that date but does not include certain information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

Contact:

James R. Segreto
Chief Financial Officer
SPAR Group, Inc.
(914) 332-4100

Investors:

Alan Sheinwald
Alliance Advisors, LLC
(212) 398-3486
asheinwald@allianceadvisors.net

Chris Camarra
Alliance Advisors, LLC
(212) 398-3487
ccamarra@allianceadvisors.net

**SPAR Group Announces Second Quarter 2012 Conference Call
on August 13, 2012 at 11:00 am EDT**

TARRYTOWN, NY--(08/08/12)- SPAR Group, Inc. (SGRP) (the "Company" or "SPAR Group"), a leading supplier of retail merchandising and other marketing services throughout the United States and internationally, announced today that the Company will host a shareholder update conference call on Monday, August 13, at 11:00 a.m. Eastern Daylight Time. Hosting the call for the Company will be Gary Raymond, its President and Chief Executive Officer, and Jim Segreto, its Chief Financial Officer. During the call Mr. Raymond and Mr. Segreto will discuss the Company's Second Quarter 2012 financial results and provide a shareholder update on recent business developments.

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Date: Monday, August 13, 2012

Time: 11:00 a.m. EDT

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Alliance Advisors, LLC
(212) 398-3486
asheinwald@allianceadvisors.net