UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

Quarterly report pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

For the second quarterly period ended June 30, 2003

Commission file number: 0-27824

SPAR Group, Inc.
(Exact name of registrant as specified in its charter)

Delaware	33-0684451
State of Incorporation	IRS Employer Identification No.

580 White Plains Road, Tarrytown, New York 10591
(Address of principal executive offices, including zip code)

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

Indicate by check whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days: [X] Yes [ ] No

Indicate by check whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act): [ ] Yes [X] No

On June 30, 2003, there were 18,858,972 shares of Common Stock outstanding.

SPAR Group, Inc.

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PART I: FINANCIAL INFORMATION

ITEM 1: FINANCIAL STATEMENTS

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

	JUNE 30, 2003 (Unaudited)	DECEMBER 31, 2002 (Note)
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	667	121
Total assets	$ 33,101	$ 29,757
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 958	$ 422
Accrued expenses and other current liabilities	5,229	6,097
Accrued expenses, due to affiliates	1,535	958
Restructuring charges, current	772	1,354
Due to certain stockholders	-	3,951
Total current liabilities	8,494	12,782
Line of credit	6,648	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 - June 30, 2003	189	188
18,824,527 - December 31, 2002		
Treasury Stock	(582)	(30)
Additional paid-in capital	10,951	10,919
Retained earnings	7,401	5,515
Total stockholders' equity	17,959	16,592
Total liabilities and stockholders' equity	$ 33,101	$ 29,757

Note: The Balance Sheet at December 31, 2002, has been derived from the audited financial statements at that date but does not include any of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

See accompanying notes.

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	$ 0.03	$ 0.06	$ 0.10	$ 0.08
- 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

See accompanying notes.

SPAR Group, Inc.
Consolidated Statements of Cash Flows
(unaudited) (In thousands)

	SIX MONTHS ENDED	
	JUNE 30, 2003	JUNE 30, 2002
OPERATING ACTIVITIES		
Net income	$ 1,886	$ 1,551
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation	777	877
Changes in operating assets and liabilities:		
Accounts receivable	(2,089)	60
Prepaid expenses, other current assets and other assets	(971)	(270)
Accounts payable, accrued expenses and other current liabilities	(332)	1,453
Accrued expenses due to affiliates	577	-
Deferred taxes	341	-
Discontinued operations, net	-	(902)
Restructuring charges	(817)	(178)
Net cash (used in) provided by operating activities	(628)	2,591
INVESTING ACTIVITIES		
Purchases of property and equipment	(966)	(160)
Acquisition of businesses	(436)	-
Net cash used in investing activities	(1,402)	(160)
FINANCING ACTIVITIES		
Net borrowings on (payments to) line of credit	6,500	(2,187)
Proceeds from exercise of options	32	-
Proceeds from issuance of common stock	-	13
Payments of other long-term debt	-	(57)
Payments to certain stockholders	(3,951)	(200)
Purchase of treasury stock	(551)	-
Net cash provided by (used in) financing activities	2,030	(2,431)
Net change in cash	-	-
Cash at beginning of period	-	-
Cash at end of period	$ -	$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest paid	$ 111	$ 319

See accompanying notes.

1. BASIS OF PRESENTATION

The accompanying unaudited, consolidated financial statements of SPAR Group, Inc., and its subsidiaries (collectively, the "Company" or the "SPAR Group") have been prepared in accordance with accounting principles generally accepted in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included in the financial statements. However, these interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto for the Company as contained in Company's Annual Report on Form 10-K for the year ended December 31, 2002, as filed with the Securities Exchange Commission on March 31, 2003 (the "Company's Annual Report on Form 10-K"). The results of operations for the interim periods are not necessarily indicative of the operating results for the entire year.

2. RESTRUCTURING CHARGES

In 1999, the Company's Board of Directors approved a plan to restructure the operations of the PIA Companies. Restructuring costs were composed of committed costs required to integrate the SPAR Companies and the PIA Companies' field organizations and the consolidation of administrative functions to achieve beneficial synergies and costs savings.

The following table displays a roll forward of the liabilities for restructuring charges from December 31, 2002 to June 30, 2003 (in thousands):

	DECEMBER 31, 2002	SIX MONTHS ENDED JUNE 30, 2003 DEDUCTIONS	JUNE 30, 2003
Restructuring charges:			
Equipment and office lease settlements	$ 1,589	$ 817	$ 772

Management believes that the remaining reserves for restructuring are adequate to complete its plan.

3. EARNINGS PER SHARE

The following table sets forth the computations of basic and diluted earnings per share (in thousands, except per share data):

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30, 2003	JUNE 30, 2002	JUNE 30, 2003	JUNE 30, 2002
Numerator:				
Net income	$ 608	$ 1,069	$ 1,886	$ 1,551
Denominator:				
Shares used in basic earnings per share calculation	18,858	18,593	18,850	18,592
Effect of diluted securities:				
Employee stock options	680	428	597	429
Shares used in diluted earnings per share calculation	19,538	19,021	19,447	19,021
Basic and diluted earnings per common share:				
Net Income - basic	$ 0.03	$ 0.06	$ 0.10	$ 0.08
- diluted	$ 0.03	$ 0.06	$ 0.10	$ 0.08

4. LINE OF CREDIT

In January 2003, the Company and Whitehall Business Credit Corporation ("Whitehall"), as successor to the business of IBJ Whitehall Business Credit Corporation, entered into the Third Amended and Restated Revolving Credit and Security Agreement and related documents (the "New Credit Facility"). The New Credit Facility provides the Company with a $15.0 million revolving credit facility (the "New Revolving Facility") that matures on January 23, 2006. The New Revolving Facility allows the Company to borrow up to $15.0 million based upon a borrowing base formula as defined in the agreement (principally 85% of "eligible" accounts receivable). The New Revolving Facility bears interest at

Whitehall's "Alternate Base Rate" or LIBOR plus two and one-half percent and is secured by all the assets of the Company and its subsidiaries. The New Revolving Facility interest rate was Whitehall's "Alternate Base Rate" of 4.75% per annum at June 30, 2003.

The New Credit Facility replaces a previous 1999 agreement, as amended, between the Company and Whitehall (the "Old Credit Facility") that was scheduled to mature on February 28, 2003. The Old Credit Facility provided for a $15.0 million revolving credit facility (the "Old Revolving Facility"), as well as a $2.5 million term loan. The Old Revolving Facility allowed the Company to borrow up to $15.0 million based upon a borrowing base formula as defined in the old agreement (principally 85% of "eligible" accounts receivable). The term loan under the Old Credit Facility amortized in equal monthly installments of $83,334 and was repaid in full as of December 31, 2001.

The New Credit Facility contains certain financial covenants (amending, restating and replacing those contained in the Old Credit Facility) that must be met on a consolidated basis, among which are a minimum "Net Worth", a "Fixed Charge Coverage Ratio", a capital expenditure limitation and a minimum EBITDA, as such terms are defined in the respective agreement. The Company was in compliance with such financial covenants at June 30, 2003.

The balances outstanding on the revolving lines of credit were $6.6 million under the New Revolving Facility at June 30, 2003, and $0.1 million

under the Old Revolving Facility at December 31, 2002. As of June 30, 2003, based upon the borrowing base formula, the SPAR Group had availability of $2.4 million of the $8.4 million unused revolving line of credit under the New Revolving Facility.

5. RELATED-PARTY TRANSACTIONS

As of April 2003, all outstanding funds due certain stockholders under certain notes were paid in full.

The SPAR Group, Inc. is affiliated through common ownership with SPAR Marketing Services, Inc. ("SMS"), SPAR Management Services, Inc. ("SMSI") and SPAR Infotech, Inc. ("SIT"). SMS and SMSI (through SMS) provided approximately 92% of the Company's field representatives (through its independent contractor field force) and substantially all of the Company's field management services. Under the terms of the Field Service Agreement, SMS provides the services of approximately 5,700 field representatives and SMSI provides approximately 90 full-time national, regional and district managers to the Company as they may request from time to time, for which the Company has agreed to pay SMS for all of its costs of providing those services plus 4%.

SIT provided Internet and other computer programming services to the Company. Under the terms of the programming agreement between SPAR Marketing Force, Inc. ("SMF") and SIT effective as of October 1, 1998, SIT continues to provide programming services to SMF as SMF may request from time to time, for which SMF has agreed to pay SIT competitive hourly wage rates and to reimburse SIT's out-of-pocket expenses.

The following transactions occurred between the Company and the above affiliates (in thousands):

	THREE MONTHS ENDED		SIX MONTHS ENDED	
	JUNE 30, 2003	JUNE 30, 2002	JUNE 30, 2003	JUNE 30, 2002
Services provided by affiliates:				
SMS: Independent contractor field services	$ 7,257	$ 6,505	$ 14,954	$ 11,090
SMSI: Field management services	$ 1,859	$ 1,879	$ 3,775	$ 3,598
SIT: Internet and computer programming services	$ 476	$ 415	$ 882	$ 870
Services provided to affiliates:				
Management services	$ 52	$ 132	$ 108	$ 211

Balance of accrued expense due to affiliates:

	JUNE 30, 2003	JUNE 30, 2002
SMS (SPAR Marketing Services, Inc.)	$ 1,535	$ 1,814

6. STOCK OPTIONS

The Company has adopted the disclosure-only provisions of SFAS No. 123, Accounting for Stock-Based Compensation as amended by SFAS 148. No compensation

cost has been recognized for the stock option plans. Had compensation cost for the Company's option plans been determined based on the fair value at the grant date consistent with the provisions of SFAS No. 123, the Company's net income and pro forma net income per share from continuing operations would have been reduced to the adjusted amounts indicated below (in thousands, except per share data):

	SIX MONTHS ENDED JUNE 30, 2003	2002
Net income, as reported	$ 1,886	$ 1,551
Stock based employee compensation expense under the fair market value method	$ 907	$ 971
Pro forma net income	$ 979	$ 580
Basic and diluted net income per share, as reported	$ 0.10	$ 0.08
Basic and diluted net income per share, pro forma after adjustment for stock based employee compensation expense under the fair market value method	$ 0.05	$ 0.03

7. SHARE REPURCHASE

The Company initiated a share repurchase program in 2002, which allowed for the repurchase of up to 100,000 shares. On May 9, 2003 the Board of Directors approved the repurchase of an additional 100,000 shares increasing the total approval to 200,000 shares. The Company repurchased 110,149 shares in the quarter ended June 30, 2003, for $474,035. Since the repurchase program went into effect, a total of 142,831 shares have been repurchased for a total of $582,439.

8. COMMITMENT AND DEPOSITS DUE TO SPAR PERFORMANCE GROUP, INC. ("SPGI")

In connection with the sale of SPGI on June 30, 2002, the Company agreed to provide a discretionary revolving line of credit to SPGI not to exceed $2.0 million (the "SPGI Revolver") through September 30, 2005. The SPGI Revolver is secured by a pledge of all the assets of SPGI and is guaranteed by its parent, Performance Holdings, Inc. The SPGI Revolver provides for advances in excess of the borrowing base through September 30, 2003. As of October 1, 2003, the SPGI Revolver will include a borrowing base calculation (principally 85% of "eligible" accounts receivable). Prior to September 1, 2003, SPGI may request that the Company provide advances of up to $1,000,000 in excess of the borrowing base. If advances are limited to the borrowing base on and after October 1, 2003, the interest rate will be reduced to the higher of the Term Loans interest rate less 4.0% per annum or the prime

commercial lending rate as announced in the Wall Street Journal plus 4.0% per annum. If SPGI requests that advances be allowed in excess of the borrowing base, the interest rate will remain unchanged.

Under the SPGI Revolver terms, SPGI is required to deposit all of its cash to the Company's lockbox. At June 30, 2003, there was no borrowing under the SPGI Revolver and the Company had cash deposits due SPGI totaling $0.3 million.

Due to the speculative nature of the SPGI Revolver, the Company has a reserve of approximately $0.8 million against the $2.0 million SPGI Revolver commitment. This reserve and the cash deposits due to SPGI are included in other current liabilities.

9. CONTINGENT LIABILITIES

In May 2001 SPAR Group International, Inc. and Paltac, Inc. ("Paltac"), a large Japanese distributor, entered into a joint venture to create a Japanese company, SPAR FM. SPAR FM entered into a 300 million yen Revolving Credit Agreement with a Japanese bank. The bank required Paltac to guarantee the outstanding balance on the revolving credit facility. As part of the joint venture agreement, should Paltac be required to make a payment on its guarantee to the bank, then SPAR Group, Inc. has agreed to remit to Paltac 50% of any such payment up to a maximum of 150 million yen or approximately $1.2 million. As of June 30, 2003, SPAR FM has borrowed 90 million yen under its Revolving Credit Agreement. Therefore, the Company's maximum potential exposure to Paltac under the commitment would be 45 million yen or approximately $0.4 million.

10. ACQUISITIONS

In February 2003, the Company purchased the business and certain assets of All Store Marketing Services, Inc. ("ASMS"), a Texas corporation specializing in in-store product demonstrations. In connection with the acquisition of ASMS, the Company entered into an employment agreement with the President of ASMS for a period of two years. In June 2003, the Company purchased the business and certain assets of Impulse Marketing Solutions ("IMS"), a division of KaBOOM Entertainment, Inc., a Canadian company specializing in providing merchandising services in Canada. In connection with the purchase of IMS, the Company entered into a consulting agreement with the President and a second senior officer of IMS that expires on December 31, 2006. The effect of these acquisitions are not considered material to the Company's financial statements.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

FORWARD-LOOKING STATEMENTS

Statements contained in this Quarterly Report on Form 10-Q of SPAR Group, Inc. (the "Company"), include "forward-looking statements" within the meaning of the Securities Act of 1933, as amended (the "Securities Act"), including (without limitation) Section 27A thereof, and the Securities Exchange Act of 1934, as amended (the "Exchange Act"), including (without limitation) Section 21E thereof. These forward-looking statements include, in particular and without limitation, the statements contained in the discussions under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations". Forward-looking statements involve known and unknown risks, uncertainties and other factors that could cause the Company's actual results, performance and achievements, whether expressed or implied by such forward-looking statements, to not occur or be realized or to be less than expected. Such forward-looking statements generally are based upon the Company's best estimates of future results, performance or achievement, based upon current conditions and the most recent results of operations. Forward-looking statements may be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "believe", "estimate", "anticipate", "continue" or similar terms, variations of those terms or the negative of those terms. You should carefully consider such risks, uncertainties and other information, disclosures and discussions which contain cautionary statements identifying important factors that could cause actual results to differ materially from those provided in the forward-looking statements.

Although the Company believes that its plans, intentions and expectations reflected in or suggested by such forward-looking statements are reasonable, it cannot assure that such plans, intentions or expectations will be achieved in whole or in part. You should carefully review the risk factors described and any other cautionary statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, as filed with the Securities and Exchange Commission on March 31, 2003 (the "Company's Annual Report on Form 10-K"). All forward-looking statements attributable to the Company or persons acting on its behalf are expressly qualified by the risk factors (see Item 1 - Certain Risk Factors) and other cautionary statements in the Company's Annual Report on Form 10-K and in this Quarterly Report. The Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

OVERVIEW

The Company is a supplier of in-store merchandising and marketing services both throughout the United States and internationally. The Company's operations are divided into two divisions: the Merchandising Services Division and the International Division. The Merchandising Services Division provides merchandising services, database marketing, teleservices and marketing research to manufacturers and retailers with product distribution primarily in mass merchandisers, drug chains and grocery stores in the United States. The International Division established in July 2000, currently provides merchandising services in Japan and Canada and continues to focus on expanding the Company's merchandising services business throughout the world.

MERCHANDISING SERVICES DIVISION

The Company provides nationwide retail merchandising and marketing services to home entertainment, PC software, general merchandise, health and beauty care, consumer goods and food products companies in mass merchandisers, drug chains and retail grocery stores throughout the United States. Merchandising services primarily consist of regularly scheduled dedicated routed services and special projects provided at the store level for a specific retailer or multiple manufacturers primarily under single or multi-year contracts and arrangements. Services also include stand-alone large-scale implementations such as new store openings, new product launches, special seasonal or promotional merchandising, focused product support and product recalls. These services may include sales enhancing activities, such as, ensuring client products authorized for distribution are in stock and on the shelf, adding new products that are approved for distribution but not presently on the shelf, setting category shelves in accordance with approved store schematics, ensuring shelf tags are in place, checking for the overall salability of client products and setting new and promotional items, placing and/or removing point of purchase and other related media advertising. Specific in-store services can be initiated by retailers or manufacturers, and include new store openings, new product launches, special seasonal or promotional merchandising, focused product support and product recalls.

The Company's Merchandising Services Division consists of: (1) SPAR Marketing, Inc. ("SMI") (an intermediate holding company), SPAR Marketing Force, Inc. ("SMF"), SPAR Marketing, Inc., ("SMNEV"), SPAR/Burgoyne Retail Services, Inc. ("SBRS"), and SPAR, Inc. ("SINC") (collectively, the "SPAR Marketing Companies"); and (2) PIA Merchandising, Co., Inc., Pacific Indoor Display d/b/a Retail Resources, Pivotal Sales Company and PIA Merchandising Ltd. (collectively, "PIA" or the "PIA Companies"). The SPAR Marketing Companies are the original predecessor of the current Company and were founded in 1967. The PIA Companies, first organized in 1943, are also a predecessor of the Company and a supplier of in-store merchandising services throughout the United States, and were deemed "acquired" by the SPAR Marketing Companies for accounting purposes pursuant to the Merger on July 8, 1999 (see Merger and Restructuring in the Company's Annual Report on Form 10-K).

INTERNATIONAL DIVISION

In July 2000, the Company established its International Division, SPAR

Group International, Inc. ("SGI"), to focus on expanding its merchandising services business worldwide. In May 2001, the Company entered into a joint venture with a large Japanese distributor and together established SPAR FM to provide merchandising services in Japan. In June 2003, the Company expanded its merchandising services into Canada through the creation of its indirect subsidiary, SPAR Canada Company ("SCC") and SCC's purchase of the business and certain assets of Impulse Marketing Services Inc., a subsidiary of KaBOOM Entertainment, Inc.

CRITICAL ACCOUNTING POLICIES

The Company's critical accounting policies, including the assumptions and judgments underlying them, are disclosed in the Company's Annual Report on Form 10-K in Note 2 to the Financial Statements. These policies have been consistently applied in all material respects and address such matters as revenue recognition, depreciation methods, asset impairment recognition, business combination accounting, and discontinued business accounting. While the estimates and judgments associated with the application of these policies may be affected by different assumptions or conditions, the Company believes the estimates and judgments associated with the reported amounts are appropriate in the circumstances. Two critical accounting policies are revenue recognition and allowance for doubtful accounts:

REVENUE RECOGNITION

The Company's services are provided under contracts or arrangements, and consist primarily of service fees and per unit fee arrangements. Revenues under service fee arrangements are recognized when the service is performed. The Company's per unit contracts or arrangements provide for fees to be earned based on the retail sales of client's products to consumers. The Company recognizes per unit fees in the period such amounts become determinable.

ALLOWANCE FOR DOUBTFUL ACCOUNTS

The Company continually monitors the collectability of its accounts receivable based upon current customer credit information available. Utilizing this information, the Company has established an allowance for doubtful accounts of approximately $401,000 and $301,000 at June 30, 2003 and December 31, 2002, respectively. Historically, the Company's estimates have not differed materially from the actual results.

RESULTS OF OPERATIONS

THREE MONTHS ENDED JUNE 30, 2003 COMPARED TO THREE MONTHS ENDED JUNE 30, 2002

The following table sets forth selected financial data and data as a percentage of net revenues for the periods indicated (in thousands, except percent data):

	Three Months Ended				
	June 30, 2003		June 30, 2002		
	Amount	%	Amount	%	% Incr. (Decr.)
Net Revenues	$ 17,351	100.0%	$ 17,542	100.0%	(1.1)%
Cost of revenues	11,146	64.2	10,591	60.4	5.2

Selling, general, and administrative expense	4,768	27.5	4,675	26.6	2.0
Depreciation and amortization	399	2.3	460	2.6	(13.2)
Interest expense	72	0.4	38	0.2	89.6
Other (income)/expense	(10)	(0.1)	52	0.3	(118.9)
Income before provision for income taxes	976	5.7	1,726	9.9	(43.5)
Income tax provision	368	2.1	657	3.7	(44.0)
Net income	$ 608	3.6%	$ 1,069	6.2%	(43.2)%

Net revenues from operations for the three months ended June 30, 2003, were $17.4 million, compared to $17.5 million for the three months ended June 30, 2002, a decrease of 1.1%. The decrease in net revenues of 1.1% resulted primarily from decreased per unit revenue resulting from lower retail sales of customer products offset by increases in service fee revenue.

One customer accounted for 37% and 29% of the Company's net revenues for the three months ended June 30, 2003 and 2002, respectively. This customer also accounted for approximately 43% and 47% of accounts receivable at June 30, 2003, and 2002, respectively.

A second customer accounted for 8% and 10% of the Company's net revenues for the three months ended June 30, 2003 and 2002, respectively. This customer also accounted for approximately 1.0% and 3.0% of accounts receivable at June 30, 2003 and 2002, respectively.

Approximately 15% and 20% of the Company's net revenues for the three months ended June 30, 2003, and 2002, respectively, resulted from merchandising services performed at Kmart for various customers. Kmart filed for protection under the U.S. Bankruptcy Code in January of 2002 and emerged from bankruptcy in May of 2003. During its time in bankruptcy, Kmart closed a number of stores in the United States. While the Company's customers and the resultant contractual relationships are with various manufacturers and not this retailer, a significant reduction of this retailer's stores or cessation of this retailer's business would negatively impact the Company. As of August 31, 2003, one customer will discontinue its merchandising programs with the Company. Some but not all of these programs were performed at Kmart. This customer accounted for 11% of the Kmart business for both the three month periods ending June 30, 2003 and 2002.

Cost of revenues consists of field in-store labor and field management wages, related benefits, travel and other direct labor-related expenses. Cost of revenues as a percentage of net revenues increased 3.8% to 64.2% for the three months ended June 30, 2003, compared to 60.4% for the three months ended June 30, 2002. The increase is primarily a result of a decrease in per unit revenues that do not have a proportionate decrease in cost. As discussed above under Critical Accounting Policies/Revenue Recognition, the Company's revenue consists of: (1) service fee revenue, which is earned when the merchandising services are performed and therefore, has proportionate costs in the period the services are performed and; (2) per unit revenue, which is earned when the client's product is sold to the consumer at retail, not when the services are performed and therefore, does not have proportionate costs in the period the revenue is earned. Since the merchandising service and the related costs associated with per unit revenue are normally performed prior to the retail sale and the retail sales of client products are influenced by numerous factors, including consumer tastes and preferences, and not solely by the merchandising service performed, in any given period, the cost of per unit revenues may not be directly proportionate to the per unit revenue. Approximately 81.8% and 79.2% of the Company's costs of revenue in the three months ended June 30, 2003, and 2002, respectively, resulted from field in-store independent contractor and field management services purchased from the Company's affiliates, SPAR Marketing Services, Inc., and SPAR Management Services, Inc., respectively.

Operating expenses include selling, general and administrative expenses as well as depreciation and amortization. Selling, general and administrative expenses include corporate overhead, project management, information technology, executive compensation, human resources expenses, legal and accounting expenses. The following table sets forth the operating expenses as a percentage of net

revenues for the time periods indicated (in millions, except percent data):

	Three Months Ended				
	June 30, 2003		June 30, 2002		Incr. (Decr.)
	Amount	%	Amount	%	%
Selling, general and administrative	$ 4.8	27.5%	$ 4.7	26.6%	2.0%
Depreciation and amortization	0.4	2.3	0.5	2.6	(13.2)

Selling, general and administrative expenses were $4.8 million for the three months ended June 30, 2003 compared to $4.7 million for the three months ended June 30, 2002, an increase of $0.1 million or 2.0%. The increase is due primarily to an increase in legal and bad debt expense, partially offset by less software maintenance expense in 2003. The Company purchased $0.5 million and $0.4 million of information technology from its affiliate SPAR Infotech, Inc. for both the three months ended June 30, 2003 and 2002, respectively.

OTHER EXPENSE

Other expense represents the Company's share in the Japanese joint venture loss totaling $52,032 for the three months ended June 30, 2002.

INCOME TAXES

The income tax provision represents a combined federal and state income tax rate of approximately 38% for the three months ended June 30, 2003, and June 30, 2002, respectively.

NET INCOME

The Company had net income of $0.6 million for the three months ended June 30, 2003, or $0.03 per diluted share compared to net income of $1.1 million or $0.06 per diluted share for the corresponding period last year.

RESULTS OF OPERATIONS

SIX MONTHS ENDED JUNE 30, 2003 COMPARED TO SIX MONTHS ENDED JUNE 30, 2002

The following table sets forth selected financial data and data as a percentage of net revenues for the periods indicated (in thousands, except percent data):

	Six Months Ended				
	June 30, 2003		June 30, 2002		
	Amount	%	Amount	%	% Incr. (Decr.)
Net Revenues	$ 36,090	100.0%	$ 33,588	100.0%	7.4%
Cost of revenues	22,397	62.1	20,342	60.6	10.1
Selling, general, and administrative expense	9,711	26.9	9,642	28.7	0.7
Depreciation and amortization	777	2.2	877	2.6	(11.4)
Interest expense	140	0.4	86	0.3	62.6
Other expense	28	0.1	134	0.4	(79.1)
Income before provision for income taxes	3,037	8.3	2,507	7.4	21.1
Income tax provision	1,151	3.2	956	2.8	20.4

Net income	$	1,886	5.1%	$	1,551	4.6%	21.5%

Net revenues from operations for the six months ended June 30, 2003, were $36.1 million, compared to $33.6 million for the six months ended June 30, 2002, an increase of 7.4%. The increase in

net revenues of 7.4% resulted primarily from increased service fee revenue from a new client and offset by decreases in per unit revenues.

One customer accounted for 33% and 29% of the Company's net revenues for the six months ended June 30, 2003 and 2002, respectively. This customer also accounted for approximately 43% and 47% of accounts receivable at June 30, 2003, and 2002, respectively.

A second customer accounted for 10% and 12% of the Company's net revenues for the six months ended June 30, 2003 and 2002, respectively. This customer also accounted for approximately 1% and 3% of accounts receivable at June 30, 2003, and 2002, respectively.

Approximately 16% and 20% of the Company's net revenues for the six months ended June 30, 2003, and 2002, respectively, resulted from merchandising services performed at Kmart for various customers. Kmart filed for protection under the U.S. Bankruptcy Code in January of 2002 and emerged from bankruptcy in May of 2003. During its time in bankruptcy, Kmart closed a number of stores in the United States. While the Company's customers and the resultant contractual relationships are with various manufacturers and not this retailer, a significant reduction of this retailer's stores or cessation of this retailer's business would negatively impact the Company. As of August 31, 2003, one customer will discontinue its merchandising programs with the Company. Some but not all of these programs were performed at Kmart. This customer accounted for 18% and 13% of the Kmart business for six months ending June 30, 2003 and 2002 respectively.

Cost of revenues consists of field in-store labor and field management wages, related benefits, travel and other direct labor-related expenses. Cost of revenues as a percentage of net revenues increased 1.5% to 62.1% for the six months ended June 30, 2003, compared to 60.6% for the six months ended June 30, 2002. The increase is primarily a result of a decrease in per unit revenues that do not have a proportionate decrease in cost. As discussed above under Critical Accounting Policies/Revenue Recognition, the Company's revenue consists of: (1) service fee revenue, which is earned when the merchandising services are performed and therefore, has proportionate costs in the period the services are performed and; (2) per unit revenue, which is earned when the client's product is sold to the consumer at retail, not when the services are performed and therefore, does not have proportionate costs in the period the revenue is earned. Since the merchandising service and the related costs associated with per unit revenue are normally performed prior to the retail sale and the retail sales of client products are influenced by numerous factors, including consumer tastes and preferences, and not solely by the merchandising service performed, in any given period, the cost of per unit revenues may not be directly proportionate to the per unit revenue. Approximately 83.6% and 72.2% of the Company's costs of revenue in the six months ended June 30, 2003, and 2002, respectively, resulted from field in-store independent contractor and field management services purchased from the Company's affiliates, SPAR Marketing Services, Inc. ("SMS"), and SPAR Management Services, Inc. ("SMSI"), respectively. SMS's and SMSI's increased shares of field services resulted from their more favorable cost structure.

Operating expenses include selling, general and administrative expenses as well as depreciation and amortization. Selling, general and administrative expenses include corporate overhead, project management, information technology, executive compensation, human resources expenses, legal and accounting expenses. The following table sets forth the operating expenses as a percentage of net revenues for the time periods indicated (in millions, except percent data):

Six Months Ended		
June 30, 2003	June 30, 2002	Incr. (Decr.)

	Amount	%	Amount	%	%
Selling, general and administrative	$ 9.7	26.9%	$ 9.6	28.7%	0.7%
Depreciation and amortization	0.8	2.2	0.9	2.6	(11.4)

Selling, general and administrative expenses were $9.7 million for the six months ended June 30, 2003 compared to $9.6 million for the six months ended June 30, 2002, an increase of $0.1 million or 0.7%. The increase is due primarily to an increase in legal and bad debt expense, partially offset by less software maintenance expense in 2003. The Company purchased $0.9 million and $0.8 million of information technology from its affiliate SPAR Infotech, Inc. for the six months ended June 30, 2003 and 2002, respectively.

OTHER EXPENSE

Other expense represents the Company's share in the Japanese joint venture loss totaling $37,806 and $134,032 for the six months ended June 30, 2003, and June 30, 2002, respectively.

INCOME TAXES

The income tax provision represents a combined federal and state income tax rate of approximately 38% for the six months ended June 30, 2003, and June 30, 2002, respectively.

NET INCOME

The Company had net income of $1.9 million for the six months ended June 30, 2003, or $0.10 per diluted share compared to net income of $1.6 million or $0.08 per diluted share for the corresponding period last year.

LIQUIDITY AND CAPITAL RESOURCES

In the six months ended June 30, 2003, the Company had net income of $1.9 million. Net cash used in operating activities for the six months ended June 30, 2003, was $0.6 million compared with net cash provided by operations of $2.6 million for the six months ended June 30, 2002. The decrease in cash provided by operating activities in 2003 was a result of increased accounts receivable, prepaid expenses and other current assets, decreases in accrued expenses and other liabilities and restructuring payments, offset by increases in accounts payable and accrued expenses due to affiliates.

Net cash used in investing activities for the six months ended June 30, 2003, was $1.4 million, compared with net cash used in investing activities of $0.2 million for the six months ended June 30, 2002. The net cash used in investing activities in 2003 resulted from the acquisition of businesses, purchases of property and equipment and the capitalization of software development costs.

Net cash provided by financing activities for the six months ended June 30, 2003, was $2.0 million, compared with net cash used in financing activities of $2.4 million for the six months ended June 30, 2002. The increase of net cash provided by financing activities was primarily a result of borrowings on the line of credit, offset by repayments of stockholder loans and the purchase of treasury stock.

The above activity resulted in no change in cash and cash equivalents for the six months ended June 30, 2003, as the Company utilizes excess cash to pay down its line of credit.

At June 30, 2003, the Company had positive working capital of $12.9 million as compared to positive working capital of $6.3 million at December 31, 2002. The increase in working capital is due primarily to increases in accounts

receivable and prepaid expenses and decreases in accrued expenses and other current liabilities, restructuring charges and stockholder loans partially offset by increases in accounts payable and accrued expenses due to affiliates. The Company's current ratio was 2.52 at June 30, 2003, and 1.49 at December 31, 2002.

In January 2003, the Company and Whitehall Business Credit Corporation ("Whitehall"), as successor to the business of IBJ Whitehall Business Credit Corporation, entered into the Third Amended and Restated Revolving Credit and Security Agreement and related documents (the "New Credit Facility"). The New Credit Facility provides the Company with a $15.0 million revolving credit facility (the "New Revolving Facility") that matures on January 23, 2006. The New Revolving Facility allows the Company to borrow up to $15.0 million based upon a borrowing base formula as defined in the agreement (principally 85% of "eligible" accounts receivable). The New Revolving Facility bears interest at Whitehall's "Alternate Base Rate" or LIBOR plus two and one-half percent and is secured by all the assets of the Company and its subsidiaries. The New Revolving Facility interest rate was Whitehall's "Alternate Base Rate" of 4.75% per annum at June 30, 2003.

The New Credit Facility replaces a previous 1999 agreement, as amended, between the Company and Whitehall (the "Old Credit Facility") that was scheduled to mature on February 28, 2003. The Old Credit Facility provided for a $15.0 million revolving credit facility (the "Old Revolving Facility"), as well as, a $2.5 million term loan. The Old Revolving Facility allowed the Company to borrow up to $15.0 million based upon a borrowing base formula as defined in the old agreement (principally 85% of "eligible" accounts receivable). The term loan under the Old Credit Facility amortized in equal monthly installments of $83,334 and was repaid in full as of December 31, 2001.

The New Credit Facility contains certain financial covenants (amending, restating and replacing those contained in the Old Credit Facility) that must be met on a consolidated basis, among which are a minimum "Net Worth", a "Fixed Charge Coverage Ratio", a capital expenditure limitation and a minimum EBITDA, as such terms are defined in the respective agreement. The Company was in compliance with such financial covenants June 30, 2003.

The balances outstanding on the revolving lines of credit were $6.6 million under the New Revolving Facility at June 30, 2003, and $0.1 million under the Old Revolving Facility at December 31, 2002. As of June 30, 2003, based upon the borrowing base formula, the SPAR Group had availability of $2.4 million of the $8.4 million unused revolving line of credit under the New Revolving Facility.

As of April 2003, all outstanding funds due certain stockholders under certain notes were paid in full.

Management believes that based upon the Company's current working capital position and the existing credit facilities, funding will be sufficient to support ongoing operations over the next twelve months. However, delays in collection of receivables due from any of the Company's major clients, or a significant reduction in business from such clients, or the inability to acquire new clients, would have a material adverse effect on the Company's cash resources.

In connection with the sale of SPAR Peformance Group, Inc. ("SPGI") on June 30, 2002, as disclosed in the Company's Annual Report on Form 10-K in Note 1 to the Financial Statements, the Company sold all of the stock of its subsidiary, SPGI. In connection with the sale, SPGI issued two Term Loans totaling $6.0 million, which due to their speculative nature have been fully reserved. The Company also agreed to provide a discretionary revolving line of credit to SPGI not to exceed $2.0 million (the "SPGI Revolver") through September 30, 2005. The SPGI Revolver is secured by a pledge of all the assets of SPGI and is guaranteed by its parent, Performance Holdings, Inc. The SPGI Revolver provides for advances in excess of the borrowing base through September 30, 2003. As of October 1, 2003, the SPGI Revolver will include a borrowing base calculation (principally 85% of "eligible" accounts receivable). Prior to September 1, 2003, SPGI may request that the Company provide advances of up to $1,000,000 in excess of the borrowing base. If advances are limited to the borrowing base on and after October 1, 2003, the interest rate will be reduced to the higher of the Term Loans interest rate less 4.0% per annum or the prime

commercial lending rate as announced in the Wall Street Journal plus 4.0% per annum. If SPGI requests that advances be allowed in excess of the borrowing base, the interest rate will remain unchanged.

In addition, due to the speculative nature of the SPGI Revolver, the Company has established a reserve for collection of approximately $0.8 million against the $2.0 million SPGI Revolver commitment. This reserve is included in other current liabilities.

Under the SPGI Revolver terms, SPGI is required to deposit all of its cash to the Company's lockbox. At June 30, 2003, there was no borrowing under the SPGI Revolver and the Company owed SPGI approximately $0.3 million for excess cash deposited into the Company's lockbox, which obligation is recorded in other current liabilities.

CERTAIN CONTRACTUAL OBLIGATIONS

The following table contains a summary of certain of the Company's contractual obligations by category as of June 30, 2003 (in thousands):

CONTRACTUAL OBLIGATIONS	PAYMENTS DUE BY PERIOD ($)				
	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Long-Term Debt Obligations	$ 6,648	$ -	$ 6,648	$ -	$ -
Operating Lease Obligations	2,505	943	1,318	244	-
Total	$ 9,153	$ 943	$ 7,966	$ 244	$ -

In addition to the above table, the Company had agreed to provide a discretionary line of credit to SPGI not to exceed $2.0 million and currently holds excess cash deposits of approximately $0.3 million, as discussed in Liquidity and Capital Resources (above).

In May 2001 SPAR Group International, Inc. and Paltac, Inc. ("Paltac"), a large Japanese distributor, entered into a joint venture to create a Japanese company, SPAR FM. SPAR FM entered into a 300 million yen Revolving Credit Agreement with a Japanese bank. The bank required Paltac to guarantee the outstanding balance on the revolving credit facility. As part of the joint venture agreement, should Paltac be required to make a payment on its guarantee to the bank, then SPAR Group, Inc. has agreed to remit to Paltac 50% of any such payment up to a maximum of 150 million yen or approximately $1.2 million. As of

June 30, 2003, SPAR FM has borrowed 90 million yen under its Revolving Credit Agreement. Therefore, the Company's maximum potential exposure to Paltac under the commitment would be 45 million yen or approximately $0.4 million.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is exposed to market risk related to the variable interest rate on the line of credit. The Company's accounting policies for financial instruments and disclosures relating to financial instruments require that the Company's consolidated balance sheets include the following financial instruments: cash and cash equivalents, accounts receivable, accounts payable and long-term debt. The Company considers carrying amounts of current assets and liabilities in the consolidated financial statements to approximate the fair value for these financial instruments because of the relatively short period of time between origination of the instruments and their expected realization. The carrying amount of the line of credit approximates fair value because the obligation bears interest at a floating rate. The Company monitors the risks associated with interest rates and financial instrument positions. The Company's investment policy objectives require the preservation and safety of the principal, and the maximization of the return on investment based upon the safety and liquidity objectives.

Currently, the Company's revenue derived from international operations is not material and, therefore, the risk related to foreign currency exchange rates is not material.

The Company has no derivative financial instruments or derivative commodity instruments in its cash and cash equivalents and investments. Excess cash is normally used to pay down the revolving line of credit.

ITEM 4. CONTROLS AND PROCEDURES

EVALUATION OF DISCLOSURE CONTROLS AND PROCEDURES

As of June 30, 2003, the Company's Chief Executive Officer, Robert Brown, and Chief Financial Officer, Charles Cimitile, have carried out an evaluation of the effectiveness of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-14. Based upon this evaluation, these officers believe that the Company's disclosure controls and procedures are effective to provide reasonable assurance of the timely disclosure to them of material information related to the Company that is required to be included in its publicly filed reports or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. For a more complete description of their evaluation and conclusions, see Exhibits 31.1 and 31.2 hereto.

CHANGES IN INTERNAL CONTROLS

There was no change during the fiscal quarter ended June 30, 2003, in the Company's internal controls over financial reporting that has materially affected, or would be reasonably likely to materially affect, the Company's internal controls over financial reporting.

PART II: OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS

No change.

ITEM 2: CHANGES IN SECURITIES AND USE OF PROCEEDS

Item 2(a): Not applicable

Item 2(b): Not applicable

Item 2(c): Not Applicable

Item 2(d): Not Applicable

ITEM 3: DEFAULTS UPON SENIOR SECURITIES

Item 3(a) Defaults under Indebtedness: None.
Item 3(b) Defaults under Preferred Stock: Not Applicable.

ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

Not applicable.

ITEM 5: OTHER INFORMATION

Not applicable.

ITEM 6: EXHIBITS AND REPORTS ON FORM 8-K.

EXHIBITS.

31.1 Certification of the CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, and filed herewith.

31.2 Certification of the CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, and filed herewith.

32.1 Certification of the CEO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and filed herewith.

32.2 Certification of the CFO pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, and filed herewith.

REPORTS ON FORM 8-K.

On April 30, 2003, the Company filed a Current Report on Form 8-K relating to Item 9, Regulation FD Disclosure, reporting the issuance of a press release relating to the Company's financial results for the first quarter ended March 31, 2003.

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.

Date: August 13, 2003 SPAR Group, Inc., Registrant

By: /s/ Charles Cimitile

Charles Cimitile
Chief Financial Officer and duly
authorized signatory

Exhibit 31.1

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Robert G. Brown, certify that:

1. I have reviewed this quarterly report of SPAR Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures; and

   c) Presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2003

/s/ Robert G. Brown

Robert G. Brown
Chairman, President and Chief Executive Officer

Exhibit 31.2

Certification Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Charles Cimitile, certify that:

1. I have reviewed this quarterly report of SPAR Group, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared; and

   b) Evaluated the effectiveness of the registrant's disclosure controls and procedures; and

   c) Presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting;

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2003

/s/ Charles Cimitile

Charles Cimitile
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Quarterly Report on Form 10-Q for the Quarter Ended June 30, 2003 (the "Report"), by SPAR GROUP, INC. (the "Registrant"), the undersigned hereby certifies that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as applicable; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Registrant.

/s/ Robert G. Brown

Robert G. Brown
Chairman, President and Chief Executive Officer

August 13, 2003

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 HAS BEEN PROVIDED TO SPAR GROUP, INC. AND WILL BE RETAINED BY SPAR GROUP, INC., AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.

Exhibit 32.2

CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the filing of the Quarterly Report on Form 10-Q for the Quarter Ended June 30, 2003 (the "Report"), by SPAR GROUP, INC. (the "Registrant"), the undersigned hereby certifies that, to the best of his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, as applicable; and

2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Registrant.

/s/ Charles Cimitile

Charles Cimitile
Chief Financial Officer

August 13, 2003

A SIGNED ORIGINAL OF THIS WRITTEN STATEMENT REQUIRED BY SECTION 906 HAS BEEN PROVIDED TO SPAR GROUP, INC. AND WILL BE RETAINED BY SPAR GROUP, INC., AND FURNISHED TO THE SECURITIES AND EXCHANGE COMMISSION OR ITS STAFF UPON REQUEST.