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SPAR Group Expands Retail Business in China

TARRYTOWN, NY -- (MARKET WIRE) -- 11/01/11 -- SPAR Group, Inc. (NASDAQ: SGRP), a diversified international merchandising and marketing services company that provides a broad array of services worldwide to help companies improve their sales, today announced the Company will be partnering with Beijing DSI Management Consulting Company Ltd. ("DSI") in order to expand their business throughout the People's Republic of China. DSI has branch offices in Shenzhen, Shanghai, Hong Kong, Beijing, and Chengdu and services include executive search, HR management consulting outsourcing, and people learning and development.

The new company, SPAR DSI Human Resource Company ("SPAR DSI"), will serve as a subsidiary of SPAR's existing China business, SPAR (Shanghai) Marketing Management Company Ltd ("SPAR Shanghai"). SPAR DSI is expected to generate incremental and profitable revenue over the next twelve months. The Company's initial operations will be headquartered in Beijing. SPAR DSI will leverage the core business of managing personnel in consumer companies to provide additional retail services through SPAR Shanghai. SPAR Group has been providing merchandising and marketing services in the Chinese market since 2005.

"This partnership serves as a significant opportunity for SPAR to expand its service offerings throughout the fastest growing consumer nation in the world," stated Gary Raymond, CEO of SPAR Group. "DSI's longstanding industry relationships will serve as a point of entry to numerous multi-national companies that are operating in various sectors and locations in China. The providing of these Human Resource services requires a special governmental approval and license by the Chinese government, of which we have met all the required criteria. This provides SPAR with a competitive advantage as it relates to a barrier to entry and enabling us to grow our client base in China. We believe that SPAR DSI will provide increased revenue and earnings in 2012 to SPAR's already financially strong international business."

"DSI is pleased to partner with SPAR Group and is excited to leverage their proven cost saving marketing solutions to our Chinese customers," said John Xu, Chief Consultant and General Manager. "The escalating success of SPAR's international division provides proof that the Company is well positioned to thrive globally. Securing a stronger, broader market presence in the robust Chinese marketplace is vital for today's global retail merchandising companies. We are confident that this endeavor will not only allow us to better serve our core clients in China, but will allow us to expand to a broader customer base while offering traditional merchandising services," said James Qian, General Manager, SPAR Shanghai.

About SPAR Group

SPAR Group, Inc. is a diversified international merchandising and marketing services company that 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 9 of the most populated countries, including China and India. For more information, visit the SPAR Group's Web site at www.sparinc.com.

Forward-Looking Statements

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