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## **SPAR Group Expands International Penetration with South African Joint Venture**

TARRYTOWN, N.Y., Aug. 2, 2004 -- Expanding its international reach, SPAR Group, Inc. (SGRP) today announced it has entered a joint venture agreement with the Meridian Companies of South Africa.

SPAR said it will hold a 51% ownership interest in the new entity, which will operate under the name, SGRP Meridian (pty) Ltd., and will provide merchandising services to manufacturers and retailers throughout South Africa and surrounding countries.

"The agreement is in keeping with our strategic objective of enhancing our brand and services on an international scale, and follows a similar pact signed earlier this year in India," said Bob Brown, SPAR Group's chairman and chief executive officer. "We are confident that SPAR's technology and merchandising expertise, along with our South African venture partner's knowledge of the local marketplace, will prove to be a winning combination."

"We are pleased to be partnering with a proven leader in our industry," said Brian Mason, a principal of Meridian. Principal Derek O'Brien said, "Our joint venture allows us to offer SPAR's state-of-the-art merchandising services and technology to companies that want nothing but the best."

SPAR Group, Inc. is a diversified international marketing services company, providing a broad array of productivity enhancing products and services to help Fortune 1000 companies improve their sales, operating efficiency and profits. The company provides in-store merchandising, in-store demonstrations, technology, and research to manufacturers and retailers covering all product classifications and all classes of trade including mass market, drug store, and grocery chains throughout the United States and internationally.

Meridian is a leading South African marketing services company, offering a wide range of services to multinational companies and South African clients. Meridian has earned respect for its comprehensive and integrated approach to enhancing its clients' core marketing programs, as well as the breadth and depth of its infrastructure throughout the country.

Certain statements in this news release are forward-looking, including, but not limited to, the company's and its joint venture's ability to successfully penetrate the South African market. 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 successful implementation of the joint venture agreement, the economy in South Africa, the continued strengthening of SPAR's selling and marketing functions, continued customer satisfaction and contract renewal, new product development, continued technological superiority over its competitors, continued availability of capable dedicated personnel, continued cost management, the success of its international efforts, success and availability of acquisitions, and other factors, as well as by factors applicable to most companies such as general economic, competitive and other business and civil conditions. Information respecting certain of these and other factors that could effect future results, performance or trends are discussed in SPAR Group's annual report on Form 10-K, quarterly reports on Form 10-Q, and other filings made with the Securities and Exchange Commission from time to time.

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