

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): May 8, 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 May 8, 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 "Release") reporting our net income and revenue for our fiscal quarter that ended on March 31, 2011 (our "2012 First Quarter").

A copy of the 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.

The Release also included our announcement that we would hold on a public conference call for our shareholders and others on Tuesday, May 15, 2012, during which management will discuss our financial results for our 2012 First Quarter. Details will be supplied in a subsequent press release.

The Release also noted that we intend to file our Form 10-Q respecting our 2012 First Quarter with the Securities and Exchange Commission on or before May 15, 2012.

Information Not "Filed"

The information in Items 2.02 and 8.01 of this Report and each of the Release attached as Exhibit 99.1, 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 Release, 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 May 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: May 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 May 8, 2012, as attached hereto.



SPAR Group Records First Quarter Revenue of \$21 Million, an Increase of 28% Year-Over-Year

TARRYTOWN, NY – May 8, 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 first quarter 2012 Revenue, Gross Profit and Net Income of \$21million, \$5.8 million and \$307,000 respectively.

Company Highlights

- First quarter 2012 revenue increased by 28% to \$21 million, an increase of \$4.6 million over the same period in 2011.
- International division revenues grew by 71% for the first quarter of 2012 compared to the same period in 2011.
- Gross Profit increased 10% year over year.
- Net Income increased 21% year over year.
- Working capital improved to \$7.6 million.

"Management's ability to effectively integrate our recently acquired subsidiaries while improving operations in established markets has led to the current increase in financial growth during a traditionally slow period in the retail merchandising business cycle," stated Gary Raymond, Chief Executive Officer of SPAR Group. "Having recently released 2012 revenue guidance of \$90 million and identified several new acquisition targets, management is pleased with the direction in which the Company is headed. Our international business continues to grow rapidly and management anticipates continued expansion of its client base in our domestic division which will improve our financial results in 2012."

Mr. Raymond continued, "Going forward, SPAR intends to acquire additional profitable companies operating within underserved international markets, while providing large-scale marketing solutions to global clients within the United States. Management anticipates continued growth across all businesses as we increase revenue, and expand profits. Accordingly, SPAR Group expects 2012 to be one of our strongest years ever."

Three Month Financial Results for the period ended March 31, 2012

	Three Months Ended March 31, (in thousands)			
	2012	2011	Change	
			\$	%
Net Revenue:				
Domestic	\$ 9,285	\$ 9,521	\$ (236)	(3)%
International	11,762	6,897	4,865	71%
Total	\$ 21,047	\$ 16,418	\$ 4,629	28%
Gross Profit:				
Domestic	\$ 2,960	\$ 3,274	\$ (314)	(10)%
International	2,809	1,958	851	44%
Total	\$ 5,769	\$ 5,232	\$ 537	10%
Net Income:				
Domestic	\$ 263	\$ 500	\$ (237)	(47)%
International	44	(247)	291	118%
Total	\$ 307	\$ 253	\$ 54	21%

Net revenues for the three months ended March 31, 2012, were \$21 million, compared to \$16.4 million for the three months ended March 31, 2011, an increase of \$4.6 million or 28%.

Domestic net revenues totaled \$9.3 million in the three months ended March 31, 2012, compared to \$9.5 million for the same period in 2011. The decrease in Domestic net revenues is primarily due to lower project work in the first quarter of 2012 compared to a year ago.

International net revenues totaled \$11.8 million for the three months ended March 31, 2012, compared to \$6.9 million for the same period in 2011, an increase of \$4.9 million or 71%. International net revenues grew primarily as a result of incremental revenue from the new subsidiaries in Mexico and Turkey and strong performances in the South Africa and Japan markets.

Gross profit increased 10% to \$5.8 million for the first quarter of 2012, when compared to \$5.2 million the same period of 2011. The increase in gross profit was directly attributable to the significant increase in our international business.

The Company reported net income of \$307,000 for the three months ended March 31, 2012, or \$0.01 per diluted share, compared to a net income of \$253,000, or \$0.01 per diluted share, for the corresponding period last year.

Balance Sheet as of March 31, 2012

As of March 31, 2012 working capital improved to \$7.6 million and our current ratio improved to 1.8 to 1 compared to 1.7 to 1 in the prior year. Total current assets and total assets were \$17.2 million and \$21 million, respectively, and cash and cash equivalents totaled \$1.7 million at March 31, 2012. Total current liabilities and total liabilities were \$9.6 million and \$10.0 million, respectively and total equity was \$11.0 million at March 31, 2012.

The Company intends to file the Form 10-Q with the Securities and Exchange Commission on or before May 15, 2012 and the Company will host a shareholder conference call on May 15, 2012 at 11:00 am 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 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 <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, 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.

Tables Follow

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

	Three Months Ended March 31,	
	2012	2011
Net revenues	\$ 21,047	\$ 16,418
Cost of revenues	15,278	11,186
Gross profit	5,769	5,232
Selling, general, and administrative expense	5,022	4,573
Depreciation and amortization	277	262
Operating income	470	397
Interest expense	51	81
Other (income) expense	(82)	9
Income before provision for income taxes	501	307
Provision for income taxes	42	24
Net income	459	283
Net income attributable to the non-controlling interest	(152)	(30)
Net income attributable to SPAR Group, Inc.	\$ 307	\$ 253
Net income per basic/diluted common share:		
Net income – basic	\$ 0.02	\$ 0.01
Net income –diluted	\$ 0.01	\$ 0.01
Weighted average common shares - basic	20,117	19,639
Weighted average common shares - diluted	21,467	21,347
Net income	459	283
Other comprehensive income:		
Foreign currency translation adjustments	(42)	23
Comprehensive income	\$ 417	\$ 306

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

	March 31, 2012	December 31, 2011
	(unaudited)	(note)
Assets		
Current assets:		
Cash and cash equivalents	\$ 1,666	\$ 1,705
Accounts receivable, net	14,673	15,461
Prepaid expenses and other current assets	860	801
Total current assets	17,199	17,967
Property and equipment, net	1,771	1,523
Goodwill	1,148	1,148
Intangibles	677	705
Other assets	195	178
Total assets	<u>\$ 20,990</u>	<u>\$ 21,521</u>
Liabilities and equity		
Current liabilities:		
Accounts payable	\$ 3,401	\$ 1,819
Accrued expenses and other current liabilities	3,423	4,039
Accrued expense due to affiliates	1,551	1,092
Customer deposits	217	183
Lines of credit	972	3,641
Total current liabilities	9,564	10,774
Long-term debt and other liabilities	438	334
Total liabilities	10,002	11,108
Equity:		
SPAR Group, Inc. equity:		
Preferred stock, \$.01 par value:		
Authorized and available shares - 2,445,598		
Issued and outstanding shares –		
None - March 31, 2012		
None - December 31, 2011	-	-
Common stock, \$.01 par value:		
Authorized shares - 47,000,000		
Issued and outstanding shares –		
20,130,918 – March 31, 2012		
20,103,043 – December 31, 2011	201	201
Additional paid-in capital	14,098	13,940
Accumulated other comprehensive loss	(214)	(172)
Accumulated deficit	(4,319)	(4,626)
Total SPAR Group, Inc. equity	9,766	9,343
Non-controlling interest	1,222	1,070
Total liabilities and equity	<u>\$ 20,990</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:

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