

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): April 23, 2003

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.) |
|--|--|---|

| | |
|---|------------------------------|
| 580 White Plains Road, Tarrytown, New York ----- (Address of Principal Executive Offices) | 10591 ----- (Zip Code) |
|---|------------------------------|

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

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.

(c) Exhibits:

99.1 Press Release of the Registrant dated April 23, 2003.

Item 9. Regulation FD Disclosure.

On April 23, 2003, SPAR Group, Inc. (the "Company") issued the press release attached to this current report on Form 8-K (the "Report") as Exhibit 99.1 reporting its financial results for the first quarter ended March 31, 2003.

The information in this Report, including the exhibit, is furnished pursuant to Item 9 and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. It shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, except as shall be expressly set forth by specific reference in such a filing.

The foregoing information is furnished under Item 9 in place of Item 12 of this Report in accordance with the interim guidance provided by the Securities and Exchange Commission in Release 33-8216 dated March 27, 2003.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 28, 2003

SPAR Group, Inc.

By: /s/ Charles Cimitile

Name: Charles Cimitile
Title: Chief Financial Officer

EXHIBIT INDEX

| EXHIBIT NO. ----- | DESCRIPTION ----- |
|----------------------|------------------------------------|
| 99.1 | Press Release dated April 23, 2003 |

[HEADING] [GRAPHIC OMITTED]

CONTACTS: Charles Cimitile
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SPAR GROUP REPORTS SHARPLY HIGHER FIRST QUARTER RESULTS

--Net Income Rises 165% on 20% Increase in Revenues--

TARRYTOWN, NY -- APRIL 23, 2003 -- SPAR Group, Inc. (NASDAQ:SGRP) today announced strong increases in revenues and income for its first quarter ended March 31, 2003.

Net income for the 2003 three-month period advanced 165% to \$1.3 million, equal to \$.07 per fully diluted share, from \$482,000, or \$.03 per fully diluted share, for the comparable prior year period. Net revenues for the 2003 first quarter rose 20% to \$19.3 million from \$16.0 million a year ago.

The company attributed its positive results primarily to programs implemented last year to enhance the sales and marketing functions of its products and services, as well as to its technological innovations. SPAR Group said results also benefited from related efficiencies of scale and continued attention to cost management.

"The results are particularly gratifying because in the current challenging economic environment, clients recognize that SPAR's unique merchandising expertise can help enhance their sales and profitability," Bob Brown, SPAR Group's chairman and chief executive officer, said. "Increasingly, forward-thinking, bottom-line oriented companies in the retail, as well as manufacturing sectors, are turning to SPAR. They realize that our ability to collect quality information on a real time basis, enables them to act immediately. When you couple that with the ability to deploy people where needed at the retail

(more)

SPAR Group, Inc.
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level, you have a positive, measurable impact on both their sales and market share. We believe the immediate outlook for SPAR Group remains strong and anticipate a solid year ahead," Brown added.

SPAR Group, Inc. is a diversified 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, database and research services to general retail, mass market, drug, and grocery chains both, throughout the United States and internationally.

Certain statements in this news release (including, without limitation, the top line, net income and earnings per share estimates for 2003) are forward-looking and involve a number of risks and uncertainties (both known and unknown). 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's selling and marketing functions, continued customer satisfaction and contract renewal, new product development and marketing, continued technological superiority over its competitors, continued availability of capable dedicated personnel, continued cost management, the success of its international efforts, 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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(Tables Follow)

SPAR GROUP, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(In thousands, except per share data)

| | Three Months Ended | |
|---|--------------------|-------------------|
| | March 31, 2003 | March 31, 2002 |
| | ----- | ----- |
| Net revenues | \$ 19,322 | \$ 16,046 |
| Cost of revenues | 11,251 | 9,751 |
| | ----- | ----- |
| Gross profit | 8,071 | 6,295 |
| Selling, general, and administrative expenses | 5,526 | 4,967 |
| Depreciation and amortization | 378 | 417 |
| | ----- | ----- |
| Operating income | 2,167 | 911 |
| Interest expense | 68 | 48 |
| Other expense | 38 | 82 |
| | ----- | ----- |
| Income before provision for income taxes | 2,061 | 781 |
| Provision for income taxes | 783 | 299 |
| | ----- | ----- |
| Net income | \$ 1,278 | \$ 482 |
| | ===== | ===== |
| Basic/diluted net income per common share: | | |
| Net Income-basic | \$ 0.07 | \$ 0.03 |
| -diluted | \$ 0.07 | \$ 0.03 |
| Weighted average common shares-basic | 18,841 | 18,584 |
| | ===== | ===== |
| Weighted average common shares-diluted | 19,443 | 18,951 |
| | ===== | ===== |

SPAR GROUP, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)

| | March 31, 2003 | December 31, 2002 |
|--|-------------------|----------------------|
| | ----- | ----- |

ASSETS

| | | |
|---|-----------|-----------|
| Current assets: | | |
| Cash and cash equivalents | \$ - | \$ - |
| Accounts receivable, net | 19,294 | 17,415 |
| Prepaid expenses and other current assets | 989 | 783 |
| Deferred income taxes | 903 | 903 |
| | ----- | ----- |
| Total current assets | 21,186 | 19,101 |
| Property and equipment, net | 2,015 | 1,972 |
| Goodwill | 7,858 | 7,858 |
| Deferred income taxes | 705 | 705 |
| Other assets | 333 | 121 |
| | ----- | ----- |
| Total assets | \$ 32,097 | \$ 29,757 |
| | ===== | ===== |
| LIABILITIES & STOCKHOLDERS' EQUITY | | |
| Current liabilities: | | |
| Accounts payable | \$ 695 | \$ 422 |
| Accrued expenses and other current liabilities | 6,215 | 6,097 |
| Accrued expense due to affiliates | 2,030 | 958 |
| Restructuring charges, current | 773 | 1,354 |
| Due to certain stockholders | 951 | 3,951 |
| | ----- | ----- |
| Total current liabilities | 10,664 | 12,782 |
| Line of credit | 3,617 | 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--18,857,475--March 31, 2003 and 18,824,527 - December 31, 2002 | 188 | 188 |
| Treasury Stock | (108) | (30) |
| Additional paid-in capital | 10,942 | 10,919 |
| Retained Earnings | 6,794 | 5,515 |
| | ----- | ----- |
| Total stockholders' equity | 17,816 | 16,592 |
| | ----- | ----- |
| Total liabilities and stockholders' equity | \$ 32,097 | \$ 29,757 |
| | ===== | ===== |