

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

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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): March 26, 2004

SPAR Group, Inc.

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(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.)
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580 White Plains Road, Tarrytown, New York ----- (Address of Principal Executive Offices)	10591 ----- (Zip Code)
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Registrant's telephone number, including area code: (914) 332-4100

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

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits.  
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(c) Exhibits:

99.1 Press Release of the Registrant dated March 26, 2004.

Item 12. Results of Operations and Financial Condition.  
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On March 26, 2004, SPAR Group, Inc. (the "Registrant") 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 fiscal year and fourth quarter ended December 31, 2003, which is incorporated herein by reference.

The information in this Report, including the exhibit, 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.

SIGNATURES  
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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: March 26, 2004

By: /s/ CHARLIE CIMITILE  
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Charlie Cimitile  
Chief Financial Officer

EXHIBIT INDEX  
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Exhibit Number -----	Description -----
99.1	Press Release of the Registrant dated March 26, 2004.

## SPAR GROUP REPORTS FINANCIAL RESULTS FOR 2003 YEAR AND FOURTH QUARTER

TARRYTOWN, N.Y.--(BUSINESS WIRE)--March 26, 2004--SPAR Group, Inc. (Nasdaq:SGRP - News) today reported financial results for the year and fourth quarter ended December 31, 2003.

For the full year, SPAR sustained a net loss of \$539,000, equal to \$0.03 per diluted share, on net revenues of \$64.9 million. The company had net income of \$5.3 million, or \$0.28 per diluted share, on net revenues of \$69.6 million for 2002.

SPAR recorded a net loss for the 2003 fourth quarter of \$2.1 million, equal to \$0.11 per share, on revenues of \$12.2 million, compared with net income of \$2.5 million, or \$0.13 per share, on net revenues of \$18.2 million in the corresponding prior-year period.

"The fourth quarter results were not indicative of our business," said Bob Brown, SPAR Group's chairman and chief executive officer. "Almost 50% of the fourth quarter loss was attributable to charges not expected to recur in the future. However, SPAR did experience lower revenue from per unit fee contracts resulting from lower retail sales of some of our larger clients' products. In addition, these revenues were impacted by the loss of a particular client earlier in the year.

"Moving into 2004, the company will focus on improving our core merchandising business. We will continue to invest in technology, the expansion of our international operations, and expansion of our local in-store demonstration business. We are confident that the investments we are making will provide long-term benefits to the company," said Brown.

"We remain focused on enhancing efficiencies. We have implemented and will continue to implement cost reductions throughout the company as appropriate and we are committed to developing and exploring new programs and technology, such as RFID applications at retail, to stimulate revenue growth. The fundamentals of our business remain strong, and we are devoting all our energy to ensuring SPAR is well positioned to be the best merchandising company in the world by using the latest technologies to produce the highest measurable value for our clients at the lowest possible cost," Brown added.

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.

Certain statements in this news release are forward-looking, including, but not limited to, benefits to be derived from programs to enhance efficiencies, cost reductions, programs to stimulate revenue growth and the timing of returning the company to profitability. 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, 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 is 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.

	Three Months Ended		Twelve Months Ended	
	Dec. 31, 2003	Dec. 31, 2002	Dec. 31, 2003	Dec. 31, 2002
Net revenues	\$ 12,155	\$ 18,249	\$ 64,859	\$ 69,612
Cost of revenues	8,561	9,229	42,338	40,331
Gross profit	3,594	9,020	22,521	29,281
Selling, general and administrative expenses	5,923	4,592	20,967	18,804
Depreciation and amortization	367	499	1,529	1,844
Operating (loss) income	(2,696)	3,929	25	8,633
Interest expense	60	132	269	363
Other expense	209	(192)	237	(26)
(Loss) income before provision for income taxes	(2,965)	3,989	(481)	8,296
Provision for income taxes	(885)	1,454	58	2,998
Net (loss) income	\$ (2,080)	\$ 2,535	\$ (539)	\$ 5,298
Basic/diluted net (loss) income per common share:				
Net (Loss) Income	\$ (0.11)	\$ 0.13	\$ (0.03)	\$ 0.28
Weighted average common shares - basic	18,859	18,816	18,855	18,761
Weighted average common shares - diluted	18,859	19,237	18,855	19,148

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

	Dec. 31, 2003	Dec. 31, 2002
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<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$-	\$-
Accounts receivable, net	13,942	16,458
Prepaid expenses and other current assets	415	687
Deferred income taxes	1,305	903
Total current assets	15,662	18,048
Property and equipment, net	2,099	1,972
Goodwill	8,749	7,858
Deferred income taxes	434	705
Other assets	926	217
Total assets	\$ 27,870	\$ 28,800
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable	\$ 1,445	\$ 422
Accrued expenses and other current liabilities	4,367	5,140
Accrued expense due to affiliates	996	958
Restructuring charges, current	685	1,354
Line of credit, short-term	4,084	-
Due to certain stockholders	-	3,951
Total current liabilities	11,577	11,825
Line of credit, long-term	-	148
Restructuring charges, long-term	-	235

Other long-term debt	270	-
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 - December 31, 2003	189	188
18,824,527 - December 31, 2002		
Treasury stock	(384)	(30)
Additional paid-in capital	11,249	10,919
Accumulated other comprehensive loss	(7)	-
Retained earnings	4,976	5,515
Total stockholders' equity	16,023	16,592
Total liabilities and stockholders' equity	\$ 27,870	\$ 28,800

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Contact:

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