

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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): October 28, 2004

WESTWOOD HOLDINGS GROUP, INC.  
(Exact name of registrant as specified in charter)

Delaware (State or other jurisdiction of incorporation)	001-31234 (Commission File Number)	75-2969997 (IRS Employer Identification No.)
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200 Crescent Court, Suite 1200  
Dallas, Texas 75201  
(Address of principal executive offices)

(214) 756-6900  
(Registrant's telephone number, including area code)

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 (see General Instruction A.2. below):

- 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

In accordance with Securities and Exchange Commission Release No. 34-47583, the following information, which is being furnished pursuant to the requirements of Item 2.02, "Results of Operations and Financial Condition," is being reported under Item 7.01, "Regulation FD Disclosure."

On October 28, 2004, Westwood Holdings Group, Inc. issued a press release entitled "Westwood Holdings Group, Inc. Reports Third Quarter 2004 Results and Declares Quarterly Dividend," a copy of which is furnished with this Current Report on Form 8-K as Exhibit 99.1. The information in this Current Report on Form 8-K 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, nor shall it be deemed incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended.

ITEM 7.01: REGULATION FD DISCLOSURE

Westwood announced today that its Board of Directors has approved the payment of a quarterly cash dividend of \$0.08 per common share, payable on January 1, 2005 to stockholders of record on December 15, 2004.

ITEM 9.01: FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits: The following exhibit is furnished with this report:

Exhibit Number	Description
99.1	Press Release dated October 28, 2004, entitled "Westwood Holdings Group, Inc. Reports Third Quarter 2004 Results and Declares Quarterly Dividend"

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 hereunto duly authorized.

Date: October 29, 2004

WESTWOOD HOLDINGS GROUP, INC.

By: /s/ Brian O. Casey

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Brian O. Casey,  
President and Chief Operating Officer

EXHIBIT INDEX

Exhibit Number -----	Description -----
99.1	Press Release dated October 28, 2004, entitled "Westwood Holdings Group, Inc. Reports Third Quarter 2004 Results and Declares Quarterly Dividend"

Westwood Holdings Group, Inc. Reports Third Quarter 2004 Results  
and Declares Quarterly Dividend

Dallas, October 28, 2004 - Westwood Holdings Group, Inc. (NYSE: WHG) today reported 2004 third quarter revenues of \$4.9 million, net income of \$685,000, and earnings per diluted share of \$0.13. This compares to revenues of \$5.3 million, net income of \$1.3 million and earnings per diluted share of \$0.24 in the third quarter of 2003. For the nine months ended September 30, 2004, Westwood reported revenues of \$14.9 million and net income of \$2.8 million, or \$0.51 per diluted share, compared to revenues of \$15.4 million and net income of \$3.8 million, or \$0.70 per diluted share, for the same 2003 period. The Company realized non-recurring interest income in the third quarter of 2003 of approximately \$377,000 related to the final repayment of officer loans.

Total expenses for the 2004 third quarter were \$3.8 million compared to \$3.1 million for the 2003 third quarter, an increase of approximately \$622,000. Employee compensation and benefits costs increased by approximately \$481,000 compared to the 2003 third quarter, primarily as a result of higher restricted stock expense due to additional grants made in July 2004, a non-recurring expense in the 2004 third quarter related to the termination of the Company's deferred compensation plan as well as an expense related to the Company's initial contribution to its broad-based profit sharing plan. The Company expects to recognize a similar profit sharing expense in the fourth quarter of this year. Professional services expenses increased by approximately \$119,000 due primarily to higher audit costs related to Sarbanes-Oxley compliance.

Assets under management were \$3.8 billion as of September 30, 2004, an increase of 3.8% compared to \$3.6 billion on September 30, 2003. Average assets under management for the third quarter of 2004 were \$3.8 billion, a decrease of 4.5% compared with the third quarter of 2003. The increase in period ending assets under management was principally attributable to market appreciation of assets under management, partially offset by the withdrawal of assets by certain clients.

Susan M. Byrne, Westwood's founder and Chief Executive Officer commented, "In the third quarter we continued to see the results of the solid investment team we have built as we again generated superior investment performance for our clients across our equity product lines. We also earned continued acceptance of the Westwood Trust Enhanced Balanced product as asset inflows from new and existing clients contributed to an approximate 25% year-over-year increase in fee income at Westwood Trust for the first nine months of 2004."

Westwood also announced today that its Board of Directors has approved the payment of a quarterly cash dividend of \$0.08 per common share, payable on January 1, 2005 to stockholders of record on December 15, 2004.

#### About Westwood

Westwood Holdings Group, Inc. manages investment assets and provides services for its clients through two subsidiaries, Westwood Management Corp. and Westwood Trust. Westwood Management Corp. is a registered investment advisor and provides investment advisory services to corporate pension funds, public retirement plans, endowments and foundations, mutual funds and clients of Westwood Trust. Westwood Trust provides, to institutions and high net worth individuals, trust and custodial services and participation in common trust funds that it sponsors. Westwood Holdings Group, Inc. trades on the New York Stock Exchange under the symbol "WHG." For more information, please visit the Company's website at [www.westwoodgroup.com](http://www.westwoodgroup.com).

#### Note on Forward-looking Statements

Statements that are not purely historical facts, including statements about anticipated or expected future revenue and earnings growth and profitability, as well as other statements including words such as "anticipate," "believe," "plan," "estimate," "expect," "intend," "should," "could," "goal," "target," "designed," "on track," "continue," "comfortable with," "optimistic," "look forward to" and other similar expressions, constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These

forward-looking statements are subject to known and unknown risks, uncertainties and other factors, which may cause actual results to be materially different from those contemplated by the forward-looking statements. Such factors include the risks and uncertainties referenced in our documents filed with, or furnished to, the Securities and Exchange Commission, including without limitation those identified under the caption "Forward-Looking Statements and Risk Factors" in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on forward-looking statements.

WESTWOOD HOLDINGS GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME  
(in thousands, except per share amounts)  
(unaudited)

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2004	2003	2004	2003
<b>REVENUES:</b>				
Advisory fees .....	\$3,171	\$3,491	\$9,840	\$10,804
Trust fees .....	1,430	1,260	4,324	3,470
Other revenues .....	333	539	753	1,098
Total revenues .....	4,934	5,290	14,917	15,372
<b>EXPENSES:</b>				
Employee compensation and benefits ..	2,657	2,176	7,341	6,497
Sales and marketing .....	113	130	361	451
Information technology .....	172	214	504	597
Professional services .....	376	258	847	676
General and administrative .....	450	368	1,270	1,080
Total expenses .....	3,768	3,146	10,323	9,301
Income before income taxes .....	1,166	2,144	4,594	6,071
Provision for income tax expense .....	481	825	1,804	2,303
Net income .....	\$685	\$1,319	\$2,790	\$3,768
<b>Earnings per share:</b>				
Basic .....	\$0.13	\$0.24	\$0.52	\$0.70
Diluted .....	\$0.13	\$0.24	\$0.51	\$0.70

WESTWOOD HOLDINGS GROUP, INC. AND SUBSIDIARIES

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CONSOLIDATED BALANCE SHEETS  
As of September 30, 2004 and December 31, 2003  
(in thousands, except par values and share amounts)  
(unaudited)

	September 30, 2004	December 31, 2003
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents .....	\$ 5,301	\$ 3,643
Accounts receivable .....	1,999	1,931
Investments, at market value .....	17,784	17,413

Total current assets .....	25,084	22,987
Goodwill .....	2,302	2,302
Other assets, net .....	2,891	948
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Total assets .....	\$ 30,277	\$ 26,237
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities .....	\$ 1,422	\$ 935
Dividends payable .....	4,778	167
Compensation and benefits payable .....	2,312	2,776
Income taxes payable .....	193	472
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Total current liabilities .....	8,705	4,350
Other liabilities .....	840	34
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Total liabilities .....	9,545	4,384
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Stockholders' Equity:		
Common stock, \$0.01 par value, authorized 10,000,000 shares, issued 5,756,147 and outstanding 5,755,845 shares at September 30, 2004; issued 5,550,472 and outstanding 5,550,119 shares at December 31, 2003 .....	58	56
Additional paid-in capital .....	16,928	12,952
Treasury stock, at cost - 302 shares at September 30, 2004 and 353 shares at December 31, 2003 .....	(5)	(6)
Unamortized stock compensation .....	(5,277)	(2,609)
Retained earnings .....	9,028	11,460
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Total stockholders' equity .....	20,732	21,853
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Total liabilities and stockholders' equity .....	\$ 30,277	\$ 26,237
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SOURCE: Westwood Holdings Group, Inc.

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CONTACT:

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(214) 756-6900