



WESTWOOD

HOLDINGS GROUP, INC.*

February 9, 2005

Westwood Holdings Group, Inc. Reports Q4 and Fiscal Year 2004 Results and Declares Quarterly Dividend

DALLAS, Feb 09, 2005 /PRNewswire-FirstCall via COMTEX/ -- Westwood Holdings Group, Inc. (NYSE: WHG) today reported 2004 fourth quarter revenues of \$5.1 million, net income of \$896,000, and earnings per diluted share of \$0.16. This compares to revenues of \$4.7 million and net income of \$1.1 million, or \$0.21 per diluted share in the fourth quarter of 2003. For the fiscal year ended December 31, 2004, Westwood reported revenues of \$20.0 million and net income of \$3.7 million, or \$0.68 per diluted share, compared to revenues of \$20.1 million and net income of \$4.9 million, or \$0.90 per diluted share for the 2003 fiscal year.

Total expenses for the 2004 fourth quarter were \$3.7 million compared to \$2.9 million for the 2003 fourth quarter, and were \$14.0 million for the 2004 fiscal year compared to \$12.2 million for the 2003 fiscal year, an increase of approximately \$1.8 million. Employee compensation and benefits costs for the year 2004 increased by approximately \$1.3 million compared to 2003, primarily as a result of higher restricted stock expense. Professional services costs increased by approximately \$356,000 primarily due to increased costs associated with Sarbanes-Oxley compliance.

Susan M. Byrne, Westwood's founder and Chief Executive Officer commented, "While many of our peers in the asset management industry have seen significant increases in cash compensation, we are gratified that our employees have chosen to receive restricted stock in lieu of increased cash compensation in an effort to participate in the future growth of the company."

Assets under management were \$4.0 billion as of December 31, 2004, an increase of 1.1% compared to December 31, 2003. Quarterly average assets under management for the year 2004 were \$3.9 billion compared to \$4.0 billion for the year 2003. The increase in period ending assets under management was primarily due to the market appreciation of assets under management offset by the withdrawal of assets by certain clients.

Westwood Trust continued its solid growth, reporting record revenue of \$5.9 million and net income of \$524,000 in 2004, compared to revenue of \$4.8 million and net income of \$380,000 for 2003. Westwood Trust also reported period ending assets under management of over \$1.0 billion for the first time in its history.

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 April 1, 2005 to stockholders of record on March 15, 2005.

Brian O. Casey, Westwood's President and Chief Operating Officer commented, "We are pleased to have delivered improved performance in our flagship LargeCap Value product and another year of strong performance in our seasoned SMidCap Value product. Until recently SMidCap Value has been available exclusively to Westwood Trust clients. We are now focusing on bringing this product to our institutional client base in 2005. We are off to a good start with a new SMidCap client earned last month and additional opportunities in the pipeline. Our AllCap Value and Alternative REAL Income products will complete a three-year record in 2005 and our new SmallCap Value product completed an excellent first year. We have spent considerable time and money over the past several years developing all of these products and look forward to adding additional clients in the years ahead."

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 <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		Year ended	
	December 31,		December 31,	
	2004	2003	2004	2003
REVENUES:				
Advisory fees	\$3,229	\$3,204	\$13,069	\$14,008
Trust fees	1,494	1,324	5,818	4,794
Other revenues	340	178	1,093	1,276
Total revenues	5,063	4,706	19,980	20,078
EXPENSES:				
Employee compensation and benefits	2,458	1,995	9,799	8,492
Sales and marketing	112	112	473	563
Information technology	188	182	692	779
Professional services	401	216	1,248	892
General and administrative	513	392	1,783	1,472
Total expenses	3,672	2,897	13,995	12,198
Income before income taxes	1,391	1,809	5,985	7,880
Provision for income tax expense	495	693	2,299	2,996
Net income	\$896	\$1,116	\$3,686	\$4,884
Earnings per share:				
Basic	\$0.17	\$0.21	\$0.68	\$0.91
Diluted	\$0.16	\$0.21	\$0.68	\$0.90

WESTWOOD HOLDINGS GROUP, INC. AND SUBSIDIARIES

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

	2004	2003
ASSETS		
Current Assets:		
Cash and cash equivalents	\$720	\$3,643
Accounts receivable	1,832	1,931
Investments, at market value	18,632	17,413
Other current assets	414	385
Total current assets	21,598	23,372
Goodwill, net of accumulated amortization of \$640	2,302	2,302
Deferred income taxes	517	364

Property and equipment, net of accumulated depreciation of \$250 and \$620	1,860	199
Total assets	\$26,277	\$26,237

LIABILITIES AND STOCKHOLDERS' EQUITY

Current Liabilities:

Accounts payable and accrued liabilities	\$629	\$935
Dividends payable	460	167
Compensation and benefits payable	2,703	2,776
Income taxes payable	--	472
Other current liabilities	17	19
Total current liabilities	3,809	4,369

Deferred rent	805	15
Total liabilities	4,614	4,384

Stockholders' Equity:

Common stock, \$0.01 par value, authorized 10,000,000 shares, issued and outstanding 5,754,147 shares at December 31, 2004; issued 5,550,472 and outstanding 5,550,119 shares at December 31, 2003	58	56
Additional paid-in capital	16,962	12,952
Treasury stock, at cost - 353 shares at December 31, 2003	--	(6)
Unamortized stock compensation	(4,821)	(2,609)
Retained earnings	9,464	11,460
Total stockholders' equity	21,663	21,853

Total liabilities and stockholders' equity	\$26,277	\$26,237
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Investor Relations
214-756-6900

SOURCE Westwood Holdings Group, Inc.

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