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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): February 7, 2007

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))
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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 February 7, 2007, Westwood Holdings Group, Inc. issued a press release entitled "Westwood Holdings Group, Inc. Reports Fourth Quarter and Fiscal Year 2006 Results and Announces 33% Increase in Quarterly Dividend; Assets Under Management Rise to \$5.9 Billion at December 31, 2006 and Revenue Increases 24.7% for the Year 2006", 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 also announced today that its Board of Directors has approved the payment of a quarterly cash dividend of \$0.20 per common share, payable on April 2, 2007 to stockholders of record on March 15, 2007.

ITEM 9.01: FINANCIAL STATEMENTS AND EXHIBITS

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

Exhibit Number	Description
99.1	Press Release dated February 7, 2007, entitled "Westwood Holdings Group, Inc. Reports Fourth Quarter and Fiscal Year 2006 Results and Announces 33% Increase in Quarterly Dividend; Assets Under Management Rise to \$5.9 Billion at December 31, 2006 and Revenue Increases 24.7% for the Year 2006".

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: February 7, 2007

WESTWOOD HOLDINGS GROUP, INC.

By: /s/ William R. Hardcastle, Jr.

William R. Hardcastle, Jr.,
Chief Financial Officer

EXHIBIT INDEX

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WESTWOOD HOLDINGS GROUP, INC. REPORTS FOURTH QUARTER AND FISCAL YEAR 2006
RESULTS AND ANNOUNCES 33% INCREASE IN QUARTERLY DIVIDENDASSETS UNDER MANAGEMENT RISE TO \$5.9 BILLION AT DECEMBER 31, 2006
AND REVENUE INCREASES 24.7% FOR THE YEAR 2006

Dallas, February 7, 2006 - Westwood Holdings Group, Inc. (NYSE: WHG) today reported 2006 fourth quarter revenues of \$7.3 million, net income of \$1.3 million and earnings per diluted share of \$0.22. This compares to revenues of \$6.1 million, net income of \$1.0 million and earnings per diluted share of \$0.18 in the fourth quarter of 2005. For the fiscal year ended December 31, 2006, Westwood reported revenues of \$27.4 million, net income of \$4.5 million and earnings per diluted share of \$0.79 compared to revenues of \$21.9 million, net income of \$3.6 million and earnings per diluted share of \$0.66 for the 2005 fiscal year.

Cash earnings, which we define as net income plus non-cash equity-based compensation expense, for the fourth quarter of 2006 were \$2.7 million, when excluding \$1.4 million in non-cash equity-based compensation expense, compared to \$1.7 million for the fourth quarter of 2005, when excluding \$700,000 in non-cash equity-based compensation expense. Cash earnings per share, which we define as cash earnings divided by diluted weighted average shares outstanding, ("Cash EPS") for the fourth quarter of 2006 was \$0.44 per diluted share compared to \$0.31 per diluted share for the fourth quarter of 2005. Cash earnings for the year 2006 were \$9.1 million, when excluding \$4.6 million in non-cash equity-based compensation expense, compared to \$6.0 million for 2005, when excluding \$2.4 million in non-cash equity-based compensation expense. Cash EPS for the year 2006 was \$1.60 per diluted share compared to \$1.08 per diluted share for 2005. (Cash earnings and Cash EPS are non-GAAP financial measures that are explained and reconciled with the most comparable GAAP financial measures in the attached tables.)

As a result of the growth in cash earnings and our philosophy of creating a unique partnership with our stockholders, our Board of Directors today approved the payment of a quarterly cash dividend of \$0.20 per common share, an increase of 33% from the previous quarterly dividend of \$0.15 per share. The dividend is payable on April 2, 2007 to stockholders of record on March 15, 2007.

Revenues for the 2006 fourth quarter increased 21.0% compared to the 2005 fourth quarter and increased 24.7% for the year 2006 compared to 2005, primarily as a result of increased average assets under management. Assets under management reached the highest level in Westwood's history at \$5.9 billion as of December 31, 2006, a 20.3% year-over-year increase as compared to December 31, 2005 assets under management of \$4.9 billion. Average assets under management for 2006 were \$5.5 billion, an increase of 25.0% compared with 2005. The increase in period ending assets under management was primarily due to the market appreciation of assets under management and inflows of assets from new clients. Due to the seventh consecutive year of outperformance by value asset managers versus growth managers, we experienced a withdrawal of assets by some clients rebalancing their overall asset mix before year-end.

Total expenses for the year 2006 were \$20.1 million compared to \$15.9 million for 2005. Cash expenses, which exclude non-cash equity-based compensation expenses, for 2006 were \$15.5 million, when excluding \$4.6 million in non-cash equity-based compensation expense, compared to \$13.5 million for 2005, when excluding \$2.4 million in non-cash equity-based compensation expense. (An explanation and reconciliation of cash expenses to total expenses are included in the attached tables.) The primary driver of the increase in total expenses was higher employee compensation and benefits costs, most of which was due to an increase of approximately \$2.4 million

in non-cash restricted stock expense due to additional restricted stock grants in July 2005 and July 2006 as well as grants of performance-based restricted stock to our Chief Executive Officer and Chief Investment Officer in May 2006. In the second quarter of 2006, we concluded that it is probable that we will meet the performance goal required in order for the applicable percentage of these performance-based shares to vest for 2006. As a result, we recognized expense of approximately \$470,000 in each of the second, third and fourth quarters of 2006 related to the expected vesting of these shares. The other primary components of the increase in employee compensation and benefits costs were increased salary expense due to salary increases for certain employees and

increased headcount as well as increased incentive compensation expense due to higher pretax income.

Additional items of increased expense for the year 2006 were the costs related to the recently launched WHG Funds. We launched the WHG Income Opportunity and WHG SMidCap Funds in December 2005, the WHG LargeCap Value Fund in July 2006 and the WHG Balanced Fund in September 2006. We recognized expense related to the WHG Funds of approximately \$238,000 for the year 2006 compared to \$14,000 for the year 2005. The largest component of these costs is fund expense reimbursements reflecting our partial subsidy of fund expenses as we have capped the expense ratios for the funds in order to competitively position them in the defined contribution marketplace.

Westwood Trust contributed revenue of \$8.4 million and net income of \$1.2 million in 2006, compared to revenue of \$7.1 million and net income of \$877,000 in 2005. Westwood Trust assets under management as of December 31, 2006 were \$1.6 billion, an increase of 26.6% compared to December 31, 2005. Westwood Trust continues to enjoy referrals from existing clients and local professionals.

Brian Casey, Westwood's President & CEO commented, "The year 2006 was one of multiple positive accomplishments for Westwood. We posted the highest level of assets under management, revenue and cash earnings in Westwood's history. Our LargeCap Value and Balanced products recently passed the 20-year milestone of providing clients with superior risk-adjusted returns. Our SMidCap Value, SmallCap Value, Balanced and Income Opportunity products all posted top quartile performance in their peer universes. Our recently launched WHG Funds grew to \$130 million in assets as of December 31, 2006, which exceeded our expectations in terms of assets and profitability. We believe we have built a solid foundation for our new products and intend to capitalize on their strong performance with a continued marketing focus on SMidCap Value, Income Opportunity and AllCap Value. Our SmallCap Value product has completed a three-year record with top quartile results and over \$100 million in assets. We have begun introducing SmallCap Value to the institutional consulting community and have received an encouraging level of interest. We would like to thank all of our employees for another terrific year. Our many accomplishments would not have been possible without their drive and enthusiasm to exceed our clients' expectations."

Westwood will host a conference call to discuss the fourth quarter and full year 2006 results at 4:30 p.m. Eastern time today. To listen to the conference call, dial 866-903-1348 (domestic) or 904-596-2360 (international). The conference call will also be available via webcast and can be accessed at Westwood's website, <http://www.westwoodgroup.com> under the Investor Relations tab. The conference call will be available for replay through February 14 by dialing 888-284-7564 (domestic) or 904-596-3174 (international) and entering passcode 203756.

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, foundations, the WHG Funds, a family of institutional mutual funds, other mutual funds and clients of Westwood Trust. Westwood Trust provides trust and custodial services and participation in common trust funds that it sponsors to institutions and high net worth individuals. Westwood Holdings Group, Inc. trades on the New York Stock Exchange under the symbol "WHG." For more information, please visit Westwood's website at www.westwoodgroup.com.

Note on Forward-looking Statements

Statements in this press release that are not purely historical facts, including statements about our expected future financial position, results of operations or cash flows, as well as other statements including words such as "anticipate," "believe," "plan," "estimate," "expect," "intend," "should," "could," "goal," "target," "designed," "on track," "comfortable with," "optimistic" 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. Actual results and the timing of some events could differ materially from those projected in or contemplated by

the forward-looking statements due to a number of factors, including, without limitation: our ability to identify and successfully market services that appeal to our customers; the significant concentration of our revenues in three of our customers; our relationships with investment consulting firms; our relationships with current and potential customers; our ability to retain qualified personnel; our ability to successfully develop and market new asset classes; competition in the marketplace; downturn in the financial markets; the passage of legislation adversely affecting the financial services industries; interest rates; changes in our effective tax rate; our ability to maintain an effective system of internal controls; our ability to capitalize on the performance of our marketing efforts; the acceptance of our new products with our existing and new clients; and the other risks detailed from time to time in Westwood's SEC filings, including but not limited to, its annual report on Form 10-K for the year ended December 31, 2005 and its quarterly reports on Form 10-Q for the three month period ended March 31, 2006, the Form 10-Q for the six month period ended June 30, 2006 and the Form 10-Q for the nine month period ended September 30, 2006. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. Except as required by law, Westwood is not obligated to publicly release any revisions to these forward-looking statements to reflect the events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

WESTWOOD HOLDINGS GROUP, INC. AND SUBSIDIARIES

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

	THREE MONTHS ENDED DECEMBER 31,		YEAR ENDED DECEMBER 31,	
	2006	2005	2006	2005
REVENUES:				
Advisory fees	\$ 4,651	\$ 3,902	\$ 17,532	\$ 13,868
Trust fees	2,214	1,887	8,240	7,031
Other revenues	454	262	1,592	1,041
Total revenues	7,319	6,051	27,364	21,940
EXPENSES:				
Employee compensation and benefits	3,941	3,238	14,920	11,566
Sales and marketing	97	106	528	443
WHG mutual funds	71	14	238	14
Information technology	243	233	925	809
Professional services	333	286	1,373	1,194
General and administrative	604	511	2,126	1,871
Total expenses	5,289	4,388	20,110	15,897
Income before income taxes	2,030	1,663	7,254	6,043
Provision for income taxes	725	653	2,785	2,407
Income before cumulative effect of a change in accounting principle	1,305	1,010	4,469	3,636
Cumulative effect of change in accounting principle, net of income taxes of \$21	-	-	39	-
Net income	\$ 1,305	\$ 1,010	\$ 4,508	\$ 3,636
Earnings per share:				
Basic:				
Continuing operations	\$ 0.23	\$ 0.18	\$ 0.80	\$ 0.67
Cumulative effect of a change in accounting principle	-	-	0.01	-
Net income	\$ 0.23	\$ 0.18	\$ 0.81	\$ 0.67
Diluted:				
Continuing operations	\$ 0.22	\$ 0.18	\$ 0.79	\$ 0.66
Cumulative effect of a change in accounting principle	-	-	0.00	-
Net income	\$ 0.22	\$ 0.18	\$ 0.79	\$ 0.66

WESTWOOD HOLDINGS GROUP, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

AS OF DECEMBER 31, 2006 AND DECEMBER 31, 2005
(in thousands, except par value and share amounts)
(unaudited)

	2006	2005
ASSETS	-----	-----
Current Assets:		
Cash and cash equivalents	\$ 2,177	\$ 1,897
Accounts receivable	3,111	2,452
Investments, at market value	17,933	17,878
Deferred income taxes	1,267	573
Other current assets	465	410
	-----	-----
Total current assets	24,953	23,210
Goodwill	2,302	2,302
Deferred income taxes	214	244
Property and equipment, net of accumulated depreciation of \$774 and \$523	1,253	1,554
	-----	-----
Total assets	\$ 28,722	\$ 27,310
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	\$ 778	\$ 715
Dividends payable	996	539
Compensation and benefits payable	2,801	2,980
Income taxes payable	689	694
Other current liabilities	10	7
	-----	-----
Total current liabilities	5,274	4,935
Deferred rent	713	816
	-----	-----
Total liabilities	5,987	5,751
	-----	-----
Stockholders' Equity:		
Common stock, \$0.01 par value, authorized 10,000,000 shares, issued and outstanding 6,638,525 shares at December 31, 2006; issued and outstanding 5,986,647 shares at December 31, 2005	66	60
Additional paid-in capital	20,289	21,459
Unamortized stock compensation	-	(6,572)
Retained earnings	2,380	6,612
	-----	-----
Total stockholders' equity	22,735	21,559
	-----	-----
Total liabilities and stockholders' equity	\$ 28,722	\$ 27,310
	=====	=====

WESTWOOD HOLDINGS GROUP, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	2006	2005
	-----	-----
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ 4,508	\$ 3,636
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	266	272
Unrealized gains on investments	(143)	(64)
Stock option expense	126	250
Restricted stock amortization	4,500	2,114
Deferred income taxes	(685)	(300)
Cumulative effect of change in accounting principle	(39)	
Net purchases of investments - trading securities	(889)	(1,846)
Change in operating assets and liabilities:		

Accounts receivable	(659)	(620)
Other assets	(58)	(18)
Accounts payable and accrued liabilities	63	86
Compensation and benefits payable	(179)	277
Income taxes payable and prepaid taxes	405	830
Other liabilities	8	109
	-----	-----
Net cash provided by operating activities	7,224	4,726
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of money market funds - available for sale	(7,869)	(6,055)
Sales of money market funds - available for sale	8,846	8,719
Purchase of property and equipment	(70)	(75)
	-----	-----
Net cash provided by investing activities	907	2,589
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Excess tax benefits from stock based compensation	30	-
Proceeds from exercise of stock options	402	271
Cash dividends	(8,283)	(6,409)
	-----	-----
Net cash used in financing activities	(7,851)	(6,138)
	-----	-----
NET INCREASE IN CASH	280	1,177
Cash, beginning of year	1,897	720
	-----	-----
Cash, end of year	\$ 2,177	\$ 1,897
	=====	=====
Supplemental cash flow information:		
Cash paid during the year for income taxes	\$ 3,034	\$ 1,878
Issuance of restricted stock	11,507	3,865
Tax benefit allocated directly to equity	440	113
Dividends declared and not paid until the subsequent year	996	539

RECONCILIATION OF NET INCOME TO CASH EARNINGS
AND TOTAL EXPENSES TO CASH EXPENSES

	Three Months Ended December 31, 2006	Three Months Ended December 31, 2005	% Change
	-----	-----	-----
Net Income	\$ 1,305,000	\$ 1,010,000	29.2%
Restricted stock expense	1,348,000	657,000	105.2
Stock option expense	4,000	63,000	(93.7)
	-----	-----	-----
Cash earnings	\$ 2,657,000	\$ 1,730,000	53.6
Diluted weighted average shares ...	5,999,121	5,664,683	5.9
Cash earnings per share	\$ 0.44	\$ 0.31	41.9
	-----	-----	-----
Total expenses	\$ 5,289,000	\$ 4,388,000	19.4
Less: Restricted stock expense	(1,348,000)	(657,000)	105.2
Less: Stock option expense	(4,000)	(63,000)	(93.7)
	-----	-----	-----
Cash expenses	\$ 3,937,000	\$ 3,668,000	6.0%
	=====	=====	=====

	Year Ended December 31, 2006	Year Ended December 31, 2005	% Change
	-----	-----	-----
Net Income	\$ 4,508,000	\$ 3,636,000	24.0%
Restricted stock expense	4,500,000	2,114,000	112.9
Stock option expense	126,000	250,000	(49.6)

Less: Cumulative effect of change in accounting principle	(39,000)	---	---
Cash earnings	\$ 9,095,000	\$ 6,000,000	51.6
Diluted weighted average shares ...	5,690,455	5,540,342	2.7
Cash earnings per share	\$ 1.60	\$ 1.08	48.1
Total expenses	\$ 20,110,000	\$ 15,897,000	26.5
Less: Restricted stock expense	(4,500,000)	(2,114,000)	112.9
Less: Stock option expense	(126,000)	(250,000)	(49.6)
Cash expenses	\$ 15,484,000	\$ 13,533,000	14.4%

As supplemental information, we are providing non-GAAP performance measures that we refer to as cash earnings, cash earnings per share (or Cash EPS), and cash expenses. We provide these measures in addition to, but not as a substitute for, net income, earnings per share and total expenses, which are reported on a GAAP basis. Management and our Board of Directors review cash earnings, Cash EPS and cash expenses to evaluate Westwood's ongoing performance, allocate resources and review dividend policy. We believe that these non-GAAP performance measures, while not substitutes for GAAP net income, earnings per share and total expenses, are useful for both management and investors to evaluate Westwood's underlying operating and financial performance and its available resources. We do not advocate that investors consider these non-GAAP measures without considering financial information prepared in accordance with GAAP.

We define cash earnings as net income plus the non-cash expense associated with equity-based compensation awards of restricted stock and stock options. In calculating cash earnings for the year ended December 31, 2006, we also eliminate the non-cash cumulative effect of change in accounting principle associated with our implementation of SFAS 123R. We define cash expenses as total expenses less non-cash equity-based compensation expense. Although depreciation on fixed assets is a non-cash expense, we do not add it back when calculating cash earnings or deduct it when calculating cash expenses because depreciation charges represent a decline in the value of the related assets that will ultimately require replacement. Cash EPS represents cash earnings divided by diluted weighted average shares outstanding.

SOURCE: Westwood Holdings Group, Inc.

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(WHG-G)
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