



WESTWOOD
HOLDINGS GROUP, INC.*
July 27, 2004

Westwood Holdings Group, Inc. Announces 100% Increase in Quarterly Dividend, a Special Cash Dividend of \$0.75 Per Share and Second Quarter 2004 Results

DALLAS, Jul 27, 2004 /PRNewswire-FirstCall via COMTEX/ -- Westwood Holdings Group, Inc. (NYSE: WHG) today announced that its Board of Directors has approved the payment of a quarterly cash dividend of \$0.08 per common share, an increase of 100% from the previous quarterly dividend of \$0.04 per share. The Board has also approved the payment of a special cash dividend of \$0.75 per share. Both the quarterly and special dividends will be payable on October 1, 2004 to stockholders of record on September 15, 2004.

Westwood also today reported 2004 second quarter revenues of \$4.9 million, net income of \$988,000, and earnings per diluted share of \$0.18. This compares to revenues of \$5.1 million, net income of \$1.2 million and earnings per diluted share of \$0.22 in the second quarter of 2003. For the six months ended June 30, 2004, Westwood reported revenues of \$10.0 million and net income of \$2.1 million, or \$0.39 per diluted share, compared to revenues of \$10.1 million and net income of \$2.4 million, or \$0.45 per diluted share, for the same 2003 period.

Total expenses for the 2004 second quarter were \$3.3 million compared to \$3.1 million for the 2003 second quarter, and were \$6.6 million for the six months ended June 30, 2004 compared to \$6.2 million for the six months ended June 30, 2003. Westwood recognized non-cash expenses for restricted stock of approximately \$200,000 and \$400,000 for the second quarter 2004 and the six months ended June 30, 2004, respectively.

Assets under management were \$3.8 billion as of June 30, 2004, a decrease of 11.4% compared to \$4.3 billion on June 30, 2003. Average assets under management for the second quarter of 2004 were \$3.9 billion, a decrease of 5.3% compared with the second quarter of 2003. The decrease in period ending assets under management compared to the prior year period was principally attributable to the withdrawal of assets by certain clients, partially offset by market appreciation of assets under management.

Susan M. Byrne, Westwood's founder and Chief Executive Officer commented, "We continue to invest in our people and products, positioning Westwood for future growth, but we can now also return excess capital to our stockholders in the form of a special dividend and increased quarterly dividend. After the payment of our next quarterly dividend and the special dividend in October 2004, we will have returned \$12.2 million in cash to our stockholders since July 1, 2002, our first day as a public company."

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		Six months ended	
	June 30,		June 30,	
	2004	2003	2004	2003
REVENUES:				
Advisory fees	\$3,249	\$3,693	\$6,669	\$7,313
Trust fees	1,442	1,071	2,894	2,210
Other revenues	249	306	420	559
Total revenues	4,940	5,070	9,983	10,082
EXPENSES:				
Employee compensation and benefits	2,347	2,202	4,684	4,321
Sales and marketing	148	178	248	321
Information technology	160	208	332	383
Professional services	247	159	471	418
General and administrative	439	363	820	712
Total expenses	3,341	3,110	6,555	6,155
Income before income taxes	1,599	1,960	3,428	3,927
Provision for income tax expense	611	761	1,323	1,478
Net income	\$988	\$1,199	\$2,105	\$2,449
Earnings per share:				
Basic	\$0.18	\$0.22	\$0.39	\$0.45
Diluted	\$0.18	\$0.22	\$0.39	\$0.45

WESTWOOD HOLDINGS GROUP, INC. AND SUBSIDIARIES

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

	June 30,	December 31,
	2004	2003
ASSETS		
Current Assets:		
Cash and cash equivalents	\$1,025	\$3,643
Accounts receivable	2,199	1,931
Investments, at market value	20,260	17,413
Total current assets	23,484	22,987
Goodwill	2,302	2,302
Prepaid income taxes	86	---
Other assets, net	2,469	948
Total assets	\$28,341	\$26,237
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and accrued liabilities	\$1,722	\$935
Dividends payable	222	167
Compensation and benefits payable	1,539	2,776
Income taxes payable	---	472
Total current liabilities	3,483	4,350
Other liabilities	810	34
Total liabilities	4,293	4,384

Stockholders' Equity:

Common stock, \$0.01 par value, authorized 10,000,000 shares, issued 5,549,472 and outstanding 5,549,170 shares at June 30, 2004, issued 5,550,472 and outstanding 5,550,119 shares at December 31, 2003	55	56
Additional paid-in capital	13,061	12,952
Treasury stock, at cost - 302 shares at June 30, 2004 and 353 shares at December 31, 2003	(5)	(6)
Unamortized stock compensation	(2,184)	(2,609)
Retained earnings	13,121	11,460
Total stockholders' equity	24,048	21,853
Total liabilities and stockholders' equity	\$28,341	\$26,237

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<http://www.westwoodgroup.com>