

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 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 26, 2004

VSE CORPORATION
(Exact Name of Registrant as Specified in its Charter)

DELAWARE
(State or Other Jurisdiction of Incorporation or Organization)

0-3676 54-0649263
(Commission File Number) (I.R.S. Identification Number)

2550 Huntington Avenue
Alexandria, Virginia 22303-1499
(Address of Principal Executive Offices) (Zip Code)

Registrant's Telephone Number, Including Area Code: (703) 960-4600

VSE CORPORATION

Item 7. Financial Statements and Exhibits

(c) Exhibits

Exhibit
Number

99.1 News Release, February 23, 2004 entitled "VSE Reports
Consolidated Financial Results for 2003"

Item 12. Results of Operations and Financial Condition

Attached hereto as Exhibit 99.1 is a copy of the Registrant's news release dated February 23, 2004 announcing the consolidated financial results for 2003.

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 thereunto duly authorized.

VSE CORPORATION
(Registrant)

Date: February 26, 2004

/s/ T. R. Loftus

T. R. Loftus
Senior Vice President and

Chief Financial Officer

VSE Reports Consolidated Financial Results for 2003

Company Earns \$2.0 million (\$0.92 a share);
CEO Anticipates Continued Improvement in 2004

Alexandria, Virginia, February 23, 2004 - VSE Corporation (Nasdaq: VSEC) reported consolidated financial results for the three- and twelve-month periods ended December 31, 2003 and 2002, as follows:

<TABLE>

VSE Corporation and Subsidiaries
Consolidated Statements of Income
(dollars in thousands, except share data)

<CAPTION>

	Three Months		Twelve Months	
	2003	2002	2003	2002
<S>	<C>	<C>	<C>	<C>
Revenues, principally from contracts	\$ 42,238	\$ 31,110	\$ 134,459	\$ 134,379
Costs and expenses of contracts	41,043	30,303	130,898	132,306
Gross profit	1,195	807	3,561	2,073
Selling, general and administrative expenses	194	206	352	328
Interest (income) expense, net	(20)	(19)	(69)	24
Impairment - intangible asset	--	576	--	576
Income before income taxes	1,021	44	3,278	1,145
Provision for income taxes	401	42	1,267	493
Net income	\$ 620	\$ 2	\$ 2,011	\$ 652

Weighted average shares outstanding:

Basic	2,192,426	2,182,783	2,189,197	2,172,384
Diluted	2,239,722	2,204,862	2,230,226	2,196,390

Earnings per share:

Basic	\$.28	\$.00	\$.92	\$.30
Diluted	\$.28	\$.00	\$.90	\$.30

</TABLE>

Financial Results

Consolidated revenues were substantially the same for the years ended December 31, 2003 and 2002. During 2003 revenues decreased in some VSE divisions and subsidiaries and increased in others. Revenue decreases were recorded in the BAV Division, which performed work in 2002 that was not repeated in 2003, and in the Telecommunications Technology Division (TTD), which began to phase out operations in 2003. These decreases were offset by revenue increases from the start up of the Communications and Engineering Division (CED) and an increase in the revenues of the company's other active divisions compared to the prior year.

Consolidated net income for 2003 increased about 208% (about \$1.36 million) compared to consolidated net income in 2002. This improvement was primarily due to the phase out of TTD operations and a reduction of losses associated with this division. Margin improvements reported in most of VSE's operating divisions were partially offset by operating losses associated with CED contract billing rates that do not recover all allocable costs required by VSE's government cost accounting system, and to a lesser extent by start up costs associated with CED.

CEO Comments

VSE Chairman, President and CEO/COO Don Ervine said, "The financial results reported today are in line with recent news releases indicating a positive trend in VSE operations and results. We were able to offset declines in BAV revenues in 2003 with new work in other areas, to improve margins in some divisions, and to reduce the losses associated with TTD operations. TTD is expected to complete all operations in 2004."

"We expect continued improvement in 2004. As recently announced, we received a BAV delivery order for about \$100 million to support the reactivation and transfer of four KIDD-class destroyers, and we were awarded a new contract to continue our support to the Naval Sea Systems Command Shipbuilding Support Office. We continue to see an increase in work orders issued under the U.S. Army Rapid Response support contract awarded to VSE earlier this year. Based on these increases, a funded backlog of about \$83 million at year end, and the number of proposals pending evaluation or to be submitted this year, we anticipate continued strength in consolidated revenues and net income in 2004."

VSE provides diversified services to the engineering, energy and environment, security, and defense, services and homeland security markets from more than 15 locations across the United States and around the world. For more information on VSE services and products, please see the Company's web site at www.vsecorp.com or contact Len Goldstein, Director of Business and New Product Development at (703) 317-5202.

News Contact: C. S. Weber, CAO, (703) 329-4770

This news release contains statements which, to the extent they are not recitations of historical fact, constitute "forward looking statements" under federal securities laws. All such statements are intended to be subject to the safe harbor protection provided by applicable securities laws. For discussions identifying some important factors that could cause actual VSE results to differ materially from those anticipated in the forward looking statements in this news release, see VSE's public filings with the Securities and Exchange Commission.

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