

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 22, 2005

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 2.02 Results of Operations and Financial Condition

Attached hereto as Exhibit 99.1 is a copy of the Registrant's news release dated February 22, 2005 announcing the consolidated financial results for 2004.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

Exhibit  
Number

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99.1    News Release, February 22, 2005 entitled "VSE Reports  
Financial Results for 2004"

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 22, 2005

/s/ T. R. Loftus

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T. R. Loftus  
Senior Vice President and  
Chief Financial Officer

## VSE REPORTS FINANCIAL RESULTS FOR 2004

## Fourth Quarter 2004 Compared to Fourth Quarter 2003:

- o Revenues Up 35% to \$57.1 Million
- o Net Income Up 61% to \$997 Thousand
- o Earnings Per Share Up 54% to \$.43 Per Diluted Share

Alexandria, Virginia, February 22, 2005 - VSE Corporation (Nasdaq: VSEC) reported revenues of \$57.1 million and earnings of \$997 thousand for the three-month period ended December 31, 2004, compared to revenues of \$42.2 million and earnings of \$620 thousand for the same period of 2003.

During the quarter the company experienced significant revenue increases in VSE's International and Federal operating groups. Profits increased based on the higher business volume and on a lower rate for fixed corporate costs based on the overall volume increase.

Chairman and CEO Don Ervine commented, "VSE performed very well during the fourth quarter and in 2004, exceeding our \$200 million annual revenue goal for the first time. An increase in profits followed the revenue growth. All of this comes from the hard work of VSE managers and employees to identify and meet customer requirements. By continuing to serve our customers first, we expect to grow our business and continuously identify new opportunities for service."

## Year Ended December 31, 2004, Compared to Year Ended December 31, 2003:

- o Revenues Up 62% to \$216.0 Million
- o Net Income Up 71% to \$3.4 Million
- o Earnings Per Share Up 65% to \$1.49 Per Diluted Share
- o Funded Backlog Up 102% to \$168 Million
- o Return on Equity Tops 18%

VSE experienced a record year in 2004 and, based on projected activity under existing contracts, expects further growth in 2005. The ship transfer work performed by our BAV Division led our growth in 2004, and it is expected to contribute significantly to our revenues through 2006. Other previously announced indefinite quantity, indefinite delivery contracts won in 2003 and 2004 also contributed in 2004 and are expected to contribute in 2005 and beyond. In addition, our Systems Engineering Division was awarded a contract in 2004 to provide the U.S. Army with an innovative, self-sealing fuel tanker system which could be important for VSE growth in 2005. During 2004 we significantly increased our support to the U.S. Air Force, and we were awarded new contracts to establish Army programs in corrosion control and driver vehicle upgrade kits. Our subsidiary Energetics is recognized as a global leader in developing technology roadmaps and also participated on the winning team to support the National Energy Technology Laboratory. We continue to identify new bidding opportunities, and our success rate is improving. Our funded backlog at December 31, 2004, stood at \$168 million, promising a fast start towards our goals for 2005.

Chairman and CEO Don Ervine continued, "During 2004 we experienced significant increases in revenues, profits, return on equity, employees, and customers. We increased our cash dividend by 25%, and our stock price reflected an increase in shareholder value. These are excellent goals to exceed in 2005 and beyond, and I look forward to reporting on our progress."

-more-

VSE Corporation News Release (continued)

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VSE Corporation and Subsidiaries

Consolidated Statements of Income (unaudited)

(in thousands, except share and per share amounts)

<CAPTION>

Three Months		Twelve Months	
Ended December 31,		Ended December 31,	
2004	2003	2004	2003
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Revenues, principally from contracts		\$ 57,142	\$ 42,185	\$ 216,011	\$ 133,059
Costs and expenses of contracts		55,336	40,988	209,841	129,372
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Gross profit	1,806	1,197	6,170	3,687	
Selling, general and administrative expenses		186	193	636	351
Interest income, net	(26)	(20)	(102)	(69)	
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Income before income taxes		1,646	1,024	5,636	3,405
Provision for income taxes		649	403	2,191	1,315
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Income from continuing operations		997	621	3,445	2,090
Loss from discontinued operations, net of tax benefit		-	(1)	(1)	(79)
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Net income	\$ 997	\$ 620	\$ 3,444	\$ 2,011	
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Weighted average shares outstanding:

Basic	2,264,029	2,192,426	2,231,848	2,189,197
Diluted	2,345,865	2,239,722	2,309,932	2,230,226

Earnings per share:

Basic - Income from continuing operations	\$ .44	\$ .28	\$ 1.54	\$ .96
Basic - Loss from discontinued operations	-	-	-	(.04)
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Basic - Net income	.44	.28	1.54	.92
	=====	=====	=====	=====
Diluted - Income from continuing operations	\$ .43	\$ .28	\$ 1.49	\$ .94
Diluted - Loss from discontinued operations	-	-	-	(.04)
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Diluted - Net income	.43	.28	1.49	.90
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VSE provides diversified services to the engineering, energy and environment, defense, 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](http://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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