

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): July 28, 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

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:

- 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))

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 July 28, 2005 announcing the consolidated financial results for the three- and six-month periods ended June 30, 2005.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

Exhibit
Number

99.1 News Release, July 28, 2005 entitled "VSE Reports Second Quarter 2005 Results"

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: August 1, 2005

/s/ T. R. Loftus

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

VSE Corporation

VSE REPORTS SECOND QUARTER 2005 RESULTS

Company Earns \$0.74 Per Share Diluted in Quarter

Alexandria, Virginia, July 28, 2005 - VSE Corporation (Nasdaq: VSEC) reported consolidated financial results for the three- and six-month periods ended June 30, 2005 and 2004, as follows:

<TABLE>

VSE Corporation and Subsidiaries

Consolidated Statements of Income (unaudited)

(dollars in thousands, except share data)

<CAPTION>

| | Three Months | | Six Months | |
|---|--------------|-----------|------------|-----------|
| | 2005 | 2004 | 2005 | 2004 |
| <S> | <C> | <C> | <C> | <C> |
| Revenues, principally from contracts | \$72,682 | \$54,037 | \$138,601 | \$96,646 |
| Costs and expenses of contracts | 69,716 | 52,424 | 133,471 | 93,886 |
| Gross profit | 2,966 | 1,613 | 5,130 | 2,760 |
| Selling, general and administrative expenses | 111 | 245 | 167 | 257 |
| Interest income, net | (22) | (26) | (41) | (45) |
| Income before income taxes | 2,877 | 1,394 | 5,004 | 2,548 |
| Provision for income taxes | 1,112 | 539 | 1,935 | 985 |
| Income from continuing operations | 1,765 | 855 | 3,069 | 1,563 |
| Loss from discontinued operations, net of tax benefit | - | (1) | - | (1) |
| Net income | \$ 1,765 | \$ 854 | \$ 3,069 | \$ 1,562 |
| Basic earnings per share: | | | | |
| Income from continuing operations | \$.76 | \$.38 | \$ 1.34 | \$.70 |
| Loss from discontinued operations | .00 | .00 | .00 | .00 |
| Net income | \$.76 | \$.38 | \$ 1.34 | \$.70 |
| Diluted earnings per share: | | | | |
| Income from continuing operations | \$.74 | \$.37 | \$ 1.30 | \$.68 |
| Loss from discontinued operations | .00 | .00 | .00 | .00 |
| Net income | \$.74 | \$.37 | \$ 1.30 | \$.68 |
| Weighted average shares outstanding: | | | | |
| Basic | 2,310,864 | 2,221,559 | 2,295,182 | 2,218,887 |
| Diluted | 2,377,254 | 2,305,911 | 2,365,668 | 2,296,262 |

</TABLE>

VSE revenues increased about \$18.6 million (up 35%) for the quarter and about \$42.0 million (up 43%) for the six months compared to the same periods of last year, primarily due to increases associated with VSE's Army work in Kuwait and Iraq (TBPS Program), our Taiwan ship transfer work, revenues under the Rapid Response contract, increased Navy waterfront work, and an increase in military refurbishment services for U.S. Army Reserve equipment.

- more -

VSE Corporation News Release (continued)

VSE net income increased about \$911 thousand (up 107%) for the quarter and about \$1.5 million (up 96%) for the six months compared to the same periods of last year, primarily due to profits associated with work on the TBPS Program. Profits associated with the increase in military equipment refurbishment services, the increased revenues associated with Navy ship transfer and waterfront work, an increase in Management Sciences Division consulting

services, and a decrease in the losses incurred under the Rapid Response contract in 2005 as compared to 2004 also contributed to an increase in pretax income during the 2005 periods as compared to the same periods of 2004.

Commenting on the financial results, VSE Chairman, President and CEO/COO Don Ervine said, "Second quarter revenues of about \$73 million are a record for the company, reflecting the boost provided by our work for the Army in Kuwait and Iraq and the Taiwan ship transfer work begun last year, as well as growth in other programs. Net income of about \$1.8 million for the quarter (\$.74 per share diluted) is keeping pace with the increase in revenues, and margins in some of our work are benefited by the higher volume."

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 the fiscal year ended December 31, 2004, VSE reported consolidated revenues of \$216 million and earnings of \$3.4 million (\$1.49 per share diluted).

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.

As identified in other publicly available reports filed by VSE, such as the recently filed SEC Form 10-K for fiscal year 2004 and the 10-Qs VSE will file throughout 2005, the Company's interim financial results are subject to numerous performance and risk factors, some of which may be offsetting, and to timing differences, including the receipt of contract funding documents and award fee evaluations. VSE invites shareholders and others to refer to these public documents for additional detailed information on contract programs, sources of funding, and results of operations to better understand the variations and trends in reported quarterly results.

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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