

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): October 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 October 28, 2005 announcing the consolidated financial results for the three- and nine-month periods ended September 30, 2005.

Item 9.01 Financial Statements and Exhibits

(c) Exhibits

Exhibit
Number

99.1 News Release, October 28, 2005 entitled "VSE Reports Third 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: October 31, 2005 /s/ T. R. Loftus

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

VSE CORPORATION

VSE REPORTS THIRD QUARTER 2005 RESULTS
Company Earns \$0.66 Per Share Diluted in Quarter

Alexandria, Virginia, October 28, 2005 - VSE Corporation (Nasdaq: VSEC) reported the following consolidated financial results for the periods ended September 30, 2005 and 2004:

VSE Corporation and Subsidiaries

<TABLE>

Consolidated Statements of Income (unaudited)
(in thousands, except share and per share amounts)

<CAPTION>

	Three Months		Nine Months		
	2005	2004	2005	2004	
	----	----	----	----	
<S>	<C>	<C>	<C>	<C>	
Revenues, principally from contracts		\$ 76,600	\$ 62,223	\$ 215,201	\$ 158,869
Costs and expenses of contracts		73,883	60,620	207,354	154,505
	-----	-----	-----	-----	
Gross profit		2,717	1,603	7,847	4,364
Selling, general and administrative expenses			173	192	340
Interest income, net		(43)	(31)	(84)	(76)
	-----	-----	-----	-----	
Income before income taxes		2,587	1,442	7,591	3,990
Provision for income taxes		1,000	557	2,935	1,542
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Income from continuing operations			1,587	885	4,656
Loss from discontinued operations, net of tax		-	-	-	(1)
	-----	-----	-----	-----	
Net income		\$ 1,587	\$ 885	\$ 4,656	\$ 2,447
	=====	=====	=====	=====	=====
Weighted average shares outstanding:					
Basic		2,348,228	2,225,307	2,313,058	2,221,043
Diluted		2,417,056	2,301,040	2,382,986	2,297,866
Earnings per share:					
Basic - Income from continuing operations		\$.68	\$.40	\$ 2.01	\$ 1.10
Basic - Loss from discontinued operations		.00	.00	.00	.00
	-----	-----	-----	-----	
Basic - Net income		\$.68	\$.40	\$ 2.01	\$ 1.10
	=====	=====	=====	=====	=====
Diluted - Income from continuing operations		\$.66	\$.38	\$ 1.95	\$ 1.06
Diluted - Loss from discontinued operations		.00	.00	.00	.00
	-----	-----	-----	-----	
Diluted - Net income		\$.66	\$.38	\$ 1.95	\$ 1.06
	=====	=====	=====	=====	=====

</TABLE>

Financial Results

VSE revenues increased about \$14.4 million (up 23%) and \$56.3 million (up 35%) for the three and nine-month periods compared to the same periods of last year, primarily due to work on the Army's Trailer Ballistic Protection System program and to an increase in work in VSE's BAV, Communications and Engineering, Fleet Maintenance, and Systems and Engineering Divisions.

- more -

VSE Corporation News Release (continued)

VSE net income increased about \$702 thousand (up 79%) and \$2.2 million (up 90%) for the three and nine-month periods compared to the same periods of last year, primarily due to the profits associated with the additional revenues and to an increase in gross margins. The increase in gross margins was

attributed to allocating fixed corporate costs over a larger revenue base and to an increase in the percentage of work performed on time and materials and firm fixed price contracts, which tend to have higher profit margins than cost reimbursement contracts.

VSE typically has three quarterly reporting periods during the year that include a recognition of BAV award fee income and one quarterly reporting period that does not. The three-month periods ended September 30, 2005 and 2004 do not include BAV award fee income.

CEO Comments

Commenting on the financial results, VSE Chairman, President and CEO/COO Don Ervine said, "VSE third quarter revenues of about \$76.6 million are a record high quarter for the company, and earnings of about \$1.6 million for the quarter (\$.66 per share diluted) are keeping pace with the increase in revenues. Our funded backlog at September 30, 2005, was about \$212 million compared to about \$168 million at December 31, 2004."

"We continue to find promising opportunities to bid in the markets we serve, and we expect to win a share of the work which will become available. Our growth over the last two years has been the result of good marketing teamwork and the versatility of our managers and employees in identifying and responding to emerging customer requirements in a timely and professional manner. I look forward to reporting on our continued progress in the months ahead."

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.

VSE provides diversified services to the engineering, energy and environment, defense, and homeland security markets from more than 20 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.