

UNITED STATES
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): August 31, 2005

REX STORES CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-09097
(Commission File No.)

31-1095548
(IRS Employer Identification No.)

2875 Needmore Road, Dayton, Ohio
(Address of principal executive offices)

45414
(Zip Code)

Registrant's telephone number, including area code: (937) 276-3931

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))

Item 2.02. Results of Operations and Financial Condition

On August 31, 2005, REX Stores Corporation issued a press release announcing financial results and comparable store sales for the three month and six month periods ended July 31, 2005. The press release is furnished as Exhibit 99 to this report.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits. The following exhibits are furnished with this report:

99 Press Release dated August 31, 2005

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 hereunto duly authorized.

REX STORES CORPORATION

Date: August 31, 2005

By: /s/ DOUGLAS L. BRUGGEMAN

Name: Douglas L. Bruggeman
Title: Vice President - Finance,
Chief Financial Officer
and Treasurer

[LOGO OF REX STORES]

News Announcement

For Immediate Release

For further information contact:

Douglas Bruggeman
Chief Financial Officer
937/276-3931

Stewart A. Lewack, Joseph N. Jaffoni
Jaffoni & Collins Incorporated
212/835-8500 or rsc@jcir.com

REX STORES' SECOND QUARTER DILUTED
EARNINGS PER SHARE INCREASES 169% TO \$0.70

- Prior Share Repurchase Authorization Expanded By 1,000,000 Shares -

Dayton, Ohio (August 31, 2005) -- REX Stores Corporation (NYSE:RSC), a specialty retailer of consumer electronic products and appliances, today announced financial results and comparable store sales for the three- and six-month periods ended July 31, 2005 (the Company's 2005 fiscal year).

Net income in the three months ended July 31, 2005 rose 166% to \$8.7 million, or \$0.70 per diluted share, from net income of \$3.3 million, or \$0.26 per diluted share, in the three months ended July 31, 2004. Net income in the fiscal 2005 second quarter includes \$10.4 million of pre-tax income from synthetic fuel investments, including a one-time \$3.5 million payment related to a synthetic fuel facility resuming commercial operations, compared to \$3.3 million of comparable investment income in the year-ago period. Net income in the fiscal 2004 period reflects an income tax benefit of \$1.4 million due to the successful completion of an Internal Revenue Service examination related to the Company's Section 29 income tax credits for certain years and a \$0.6 million pre-tax loss on the early termination of debt. Per share results are based on 12,437,000 and 12,854,000 diluted weighted average shares outstanding for the three-month periods ending July 31, 2005 and July 31, 2004, respectively.

Net sales in the three months ended July 31, 2005 fell 1% to \$84.7 million from \$85.8 million in the three months ended July 31, 2004. Comparable store sales during the period fell 1% compared to the same year-ago period. Excluding sales of air conditioners in the quarter ended July 31, 2005, comparable store sales would have declined 5% compared to the same year-ago period. The Company reports sales performance quarterly and considers a store to be comparable after it has been open six full fiscal quarters. Comparable store sales figures do not include sales of extended service contracts.

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During the three-month period ended July 31, 2005, REX purchased approximately 989,600 shares of its common stock in open market transactions. Subsequent to the close of the quarter, REX purchased an additional 87,700 shares. On August 30, 2005, the Company's Board of Directors expanded the previous share repurchase authorization by an additional 1,000,000 shares. Pursuant to this expanded reauthorization, the Company now has approximately 1,255,945 authorized shares remaining available to purchase under its stock buy-back authorization.

Net income in the six-month period ended July 31, 2005 rose 101% to \$14.8 million, or \$1.18 per diluted share, compared to net income of \$7.4 million, or \$0.57 per diluted share, in the six-month period ended July 31, 2004. Per share results are based on 12,602,000 and 12,925,000 diluted weighted average shares outstanding for the six-month periods ending July 31, 2005 and July 31, 2004. Net sales in the 2005 six-month period were \$174.3 million compared to \$170.2 million in the six months ended July 31, 2004, while comparable store sales rose 3%.

The Company will host a conference call and webcast today at 11:00 a.m. EDT, which are open to the general public. The conference call dial-in number is 212/676-5257; please call ten minutes in advance to ensure that you are connected prior to the presentation. Interested parties may also access the call live via the Investor Relations page of the Company's website, www.rextv.com, or at www.fulldisclosure.com; please allow 15 minutes to register, download and install any necessary software.

Following its completion, a telephonic replay of the call can be accessed through 1:00 p.m. EDT on September 7, 2005 by dialing 800/633-8284 or 402/977-9140 (international callers). The access code for the audio replay is 21258881. Alternatively, a replay will be available on the Internet for 30 days at www.rextv.com or www.fulldisclosure.com.

REX Stores Corporation is a leading specialty retailer of consumer electronic products and appliances. As of July 31, 2005, the Company operated 228 stores in 37 states under the trade name "REX."

This news announcement contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements can be identified by use of forward-looking terminology such as "may," "expect," "believe," "estimate," "anticipate" or "continue" or the negative thereof or other variations thereon or comparable terminology. Readers are cautioned that there are risks and uncertainties that could cause actual events or results to differ materially from those referred to in such forward-looking statements. These risks and uncertainties include among other things: the highly competitive nature of the consumer electronics retailing industry, changes in the national or regional economies, weather, the effects of terrorism or acts of war on consumer spending patterns, the availability of certain products, technological changes, new regulatory restrictions or tax law changes relating to the Company's synthetic fuel investments, the fluctuating amount of quarterly payments received by the Company with respect to sales of its partnership interest in a synthetic fuel investment, and the uncertain amount of synthetic fuel production and tax credits received from time to time from the Company's synthetic fuel investments.

-tables follow-

REX STORES CORPORATION AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended July 31,		Six Months Ended July 31,	
	2005	2004	2005	2004
NET SALES	\$ 84,693	\$ 85,814	\$ 174,272	\$ 170,241
COST OF MERCHANDISE SOLD	59,698	61,483	124,754	121,179
GROSS PROFIT	24,995	24,331	49,518	49,062
SELLING, GENERAL & ADMINISTRATIVE EXPENSES	24,248	23,530	47,055	46,976
OPERATING INCOME	747	801	2,463	2,086
INVESTMENT INCOME	58	58	132	145
INTEREST EXPENSE	(714)	(784)	(1,330)	(1,718)
LOSS ON EARLY TERMINATION OF DEBT	-	(592)	-	(614)
INCOME FROM SYNTHETIC FUEL INVESTMENTS	10,398	3,343	16,380	8,579
INCOME FROM CONTINUING OPERATIONS BEFORE PROVISION (BENEFIT) FOR INCOME TAXES	10,489	2,826	17,645	8,478
PROVISION (BENEFIT) FOR INCOME TAXES	1,621	(762)	2,689	672
INCOME FROM CONTINUING OPERATIONS	8,868	3,588	14,956	7,806
LOSS FROM DISCONTINUED OPERATIONS, NET OF TAX	(147)	(304)	(260)	(437)
GAIN ON DISPOSAL OF DISCONTINUED OPERATIONS, NET OF TAX	-	-	125	-
NET INCOME	\$ 8,721	\$ 3,284	\$ 14,821	\$ 7,369
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	10,871	11,225	11,011	11,190
Basic income per share from continuing operations	0.81	0.32	1.36	0.70
Basic loss per share from discontinued operations	(0.01)	(0.03)	(0.02)	(0.04)
Basic gain of disposal of discontinued operations	0.00	0.00	0.01	0.00
BASIC NET INCOME PER SHARE	\$ 0.80	\$ 0.29	\$ 1.35	\$ 0.66
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	12,437	12,854	12,602	12,925
Diluted income per share from continuing operations	0.71	0.28	1.19	0.60
Diluted loss per share from discontinued operations	(0.01)	(0.02)	(0.02)	(0.03)
Diluted gain on disposal of discontinued operations	0.00	0.00	0.01	0.00
DILUTED NET INCOME PER SHARE	\$ 0.70	\$ 0.26	\$ 1.18	\$ 0.57

(more)

REX STORES CORPORATION AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEET
 (in thousands, except per share amounts)

	July 31 2005 ----- (Unaudited)	January 31 2005 -----	July 31 2004 ----- (Unaudited)
CURRENT ASSETS:			
Cash and cash equivalents	\$ 1,744	\$ 4,671	\$ 1,202
Accounts receivable, net	3,458	5,460	3,929
Synthetic fuel receivable	786	1,675	2,288
Merchandise inventory	133,759	124,188	156,167
Prepaid expenses and other	2,807	1,230	1,670
Future income tax benefits	10,929	10,929	8,703
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Total current assets	153,483	148,153	173,959
PROPERTY AND EQUIPMENT, NET	128,700	129,723	132,953
ASSETS HELD FOR SALE	1,669	1,986	-
OTHER ASSETS	915	841	639
FUTURE INCOME TAX BENEFITS	27,978	27,978	16,082
RESTRICTED INVESTMENTS	2,290	2,270	2,262
	-----	-----	-----
Total assets	\$ 315,035 =====	\$ 310,951 =====	\$ 325,895 =====
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Notes payable	\$ 4,031	\$ -	\$ 11,560
Current portion of long-term debt	2,919	2,897	2,899
Current portion of deferred income and deferred gain on sale and leaseback	9,920	10,432	10,348
Accounts payable, trade	35,599	32,842	57,522
Accrued income taxes	-	1,567	575
Accrued payroll and related items	5,093	6,303	4,406
Other current liabilities	6,623	6,152	7,576
	-----	-----	-----
Total current liabilities	64,185	60,193	94,886
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LONG-TERM LIABILITIES:			
Long-term mortgage debt	28,490	30,501	32,406
Deferred income	11,387	11,703	11,809
	-----	-----	-----
Total long-term liabilities	39,877	42,204	44,215
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SHAREHOLDERS' EQUITY:			
Common stock	293	290	286
Paid-in capital	135,496	133,474	127,734
Retained earnings	227,450	212,629	192,449
Treasury stock	(152,266)	(137,839)	(133,675)
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Total shareholders' equity	210,973	208,554	186,794
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Total liabilities and shareholders' equity	\$ 315,035 =====	\$ 310,951 =====	\$ 325,895 =====

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