

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): December 2, 2004

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 December 2, 2004, REX Stores Corporation issued a press release announcing financial results and comparable store sales for the three- and nine-month periods ended October 31, 2004. 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 December 2, 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 hereunto duly authorized.

REX STORES CORPORATION

Date: December 2, 2004

By: /s/ DOUGLAS L. BRUGGEMAN

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

[REX LOGO]

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 REPORTS THIRD QUARTER NET INCOME  
OF \$3.4 MILLION, OR \$0.27 PER DILUTED SHARE

- Third Quarter Comp Store Sales Rise 1% -

Dayton, Ohio (December 2, 2004) -- 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 nine-month periods ended October 31, 2004.

Net income in the three months ended October 31, 2004 was \$3.4 million, or \$0.27 per diluted share, compared to net income of \$4.1 million, or \$0.32 per diluted share, in the three months ended October 31, 2003. Per share results are based on 12,610,000 and 12,866,000 diluted weighted average shares outstanding for the three-month periods ending October 31, 2004 and 2003, respectively.

Net sales in the three months ended October 31, 2004 fell 1% to \$93.6 million from \$94.5 million in the three months ended October 31, 2003. Comparable store sales during the period rose 1% compared to the 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.

During the three-month period ended October 31, 2004, REX purchased approximately 177,000 shares of its common stock in open market transactions. The Company has approximately 523,000 authorized shares remaining available to purchase under its previously announced stock buy-back authorization.

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Net income for the nine-month period ended October 31, 2004 rose 4% to \$10.8 million, or \$0.84 per diluted share, compared to net income of \$10.4 million, or \$0.82 per diluted share, in the nine-month period ended October 31, 2003. Per share results are based on 12,778,000 and 12,608,000 diluted weighted average shares outstanding for the nine-month periods ending October 31, 2004 and 2003, respectively. Net sales in the 2004 nine-month period were \$267.6 million compared to \$277.1 million in the nine months ended October 31, 2003, while comparable store sales fell 2%.

The Company will host a conference call and webcast today at 11:00 a.m. EST, which are open to the general public. The conference call dial-in number is 212/676-5240; 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](http://www.rextv.com), or at [www.fulldisclosure.com](http://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. EST on December 2, 2004 by dialing 800/633-8284 or 402/977-9140 (international callers). The access code for the audio replay is 21215534. A replay of the webcast will be available for 30 days at [www.rextv.com](http://www.rextv.com) or [www.fulldisclosure.com](http://www.fulldisclosure.com).

REX Stores Corporation is a leading specialty retailer of consumer electronic products and appliances. As of October 31, 2004, the Company operated 238 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)

	Three Months Ended October 31,		Nine Months Ended October 31,	
	2004	2003	2004	2003
	-----	-----	-----	-----
NET SALES	\$93,606	\$94,493	\$267,564	\$277,058
COSTS AND EXPENSES:				
Cost of merchandise sold	68,419	66,310	192,226	193,818
Selling, general and administrative expenses	25,789	25,478	74,024	76,075
	-----	-----	-----	-----
Total costs and expenses	94,208	91,788	266,250	269,893
	-----	-----	-----	-----
Income (loss) from continuing operations before interest, other items, income taxes and discontinued operations	(602)	2,705	1,314	7,165
INVESTMENT INCOME	7	14	152	54
INTEREST EXPENSE	(716)	(1,247)	(3,040)	(3,687)
GAIN ON SALE OF REAL ESTATE	121	393	121	779
INCOME FROM SYNFUEL INVESTMENTS	5,219	3,733	13,798	9,916
	-----	-----	-----	-----
Income from continuing operations before provision for income taxes and discontinued operations	4,029	5,598	12,345	14,227
PROVISION FOR INCOME TAXES	530	1,421	1,165	3,609
	-----	-----	-----	-----
Income from continuing operations	3,499	4,177	11,180	10,618
Loss from discontinued operations, net of tax	(118)	(96)	(430)	(232)
	-----	-----	-----	-----
Net Income	\$ 3,381	\$ 4,081	\$ 10,750	\$ 10,386
	=====	=====	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	10,897	10,819	11,092	10,820
	=====	=====	=====	=====
Basic income per share from continuing operations	\$ 0.32	\$ 0.39	\$ 1.01	\$ 0.98
Basic loss per share from discontinued operations	(0.01)	(0.01)	(0.04)	(0.02)
	-----	-----	-----	-----
BASIC NET INCOME PER SHARE	\$ 0.31	\$ 0.38	\$ 0.97	\$ 0.96
	=====	=====	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	12,610	12,866	12,778	12,608
	=====	=====	=====	=====
Diluted income per share from continuing operations	\$ 0.28	\$ 0.33	\$ 0.87	\$ 0.84
Diluted loss per share from discontinued operations	(0.01)	(0.01)	(0.03)	(0.02)
	-----	-----	-----	-----
DILUTED NET INCOME PER SHARE	\$ 0.27	\$ 0.32	\$ 0.84	\$ 0.82
	=====	=====	=====	=====

(more)

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

	October 31 2004	January 31 2004	October 31 2003
	----- (Unaudited)	----- (Unaudited)	----- (Unaudited)
<b>CURRENT ASSETS:</b>			
Cash and cash equivalents	\$ 3,959	\$ 29,026	\$ 1,503
Accounts receivable, net	2,204	2,560	1,551
Synthetic fuel receivable	1,848	3,098	655
Merchandise inventory	152,215	116,755	155,354
Prepaid expenses and other	2,897	1,481	2,704
Future income tax benefits	8,703	8,703	8,860
	-----	-----	-----
Total current assets	171,826	161,623	170,627
<b>PROPERTY AND EQUIPMENT, NET</b>	130,487	131,409	131,560
<b>ASSETS HELD FOR SALE</b>	2,569	-	-
<b>OTHER ASSETS</b>	612	3,477	2,596
<b>FUTURE INCOME TAX BENEFITS</b>	16,082	14,645	7,560
<b>SYNTHETIC FUEL ESCROW</b>	-	-	7,886
<b>RESTRICTED INVESTMENTS</b>	2,265	2,257	2,253
	-----	-----	-----
Total assets	\$ 323,841	\$ 313,411	\$ 322,482
	=====	=====	=====
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
<b>CURRENT LIABILITIES:</b>			
Notes payable	\$ 15,169	\$ -	\$ 18,901
Current portion of long-term debt	2,939	5,258	7,708
Current portion of deferred income and deferred gain on sale and leaseback	10,378	10,544	10,985
Accounts payable, trade	49,259	32,745	34,690
Accrued income taxes	-	806	1,371
Accrued payroll	5,101	6,602	4,885
Other current liabilities	7,454	7,214	8,449
	-----	-----	-----
Total current liabilities	90,300	63,169	86,989
	-----	-----	-----
<b>LONG-TERM LIABILITIES:</b>			
Long-term mortgage debt	31,633	53,548	57,752
Deferred income	11,522	12,762	12,632
	-----	-----	-----
Total long-term liabilities	43,155	66,310	70,384
	-----	-----	-----
<b>SHAREHOLDERS' EQUITY:</b>			
Common stock	287	283	281
Paid-in capital	130,705	126,124	123,677
Retained earnings	195,830	185,080	168,026
Treasury stock	(136,436)	(127,555)	(126,875)
	-----	-----	-----
Total shareholders' equity	190,386	183,932	165,109
	-----	-----	-----
Total liabilities and shareholders' equity	\$ 323,841	\$ 313,411	\$ 322,482
	=====	=====	=====