

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 5, 2006

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.)
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2875 Needmore Road, Dayton, Ohio (Address of principal executive offices)	45414 (Zip Code)
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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 (see General Instruction A.2. below):

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 5, 2006, REX Stores Corporation issued a press release announcing financial results and comparable store sales for the three month and nine month periods ended October 31, 2006 as well as an update on its Ethanol projects. 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 5, 2006

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 5, 2006

By: /s/ DOUGLAS L. BRUGGEMAN

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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

Joseph N. Jaffoni/David Collins  
Jaffoni & Collins Incorporated  
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REX STORES REPORTS FISCAL THIRD QUARTER  
DILUTED EARNINGS PER SHARE OF \$0.42

- REX PROVIDES UPDATE ON ETHANOL PROJECTS -

Dayton, Ohio (December 5, 2006) -- REX Stores Corporation (NYSE:RSC) today announced financial results and comparable store sales for the three- and nine-month periods ended October 31, 2006 (the Company's 2006 fiscal year).

Net sales in the fiscal 2006 third quarter were \$85.2 million compared with \$91.8 million in the fiscal 2005 third quarter. Comparable store sales for the three months ended October 31, 2006 declined 5.6%. 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.

For the quarter ended October 31, 2006, income from synthetic fuel limited partnership investments was \$5.9 million compared with \$8.4 million in the comparable year-ago period which included a \$1.2 million gain related to the sale by the Company of its interest in a synthetic fuel limited partnership. Earlier in fiscal 2006 some of the synthetic fuel plants for which REX receives income had temporarily ceased production as higher oil prices increased the likelihood that Section 29/45K tax credits would be reduced or phased out. As of the end of the fiscal third quarter of 2006, all synthetic fuel plants for which REX receives income had returned to operation. Based upon recent oil price reductions, the Company has reduced its estimate of Section 29/45K phase out from 75% at the end of the second quarter to 40% at the end of the third quarter.

During the fiscal 2006 third quarter, REX completed the sale of seven retail store locations for a total of \$6.8 million and recorded a \$2.2 million pre-tax gain related to the real estate sale of which \$0.5 million was related to continuing operations and \$1.7 million (\$1.1 million after-tax) was classified as discontinued operations. Net income in the three months ended October 31, 2006 was \$4.8 million, or \$0.42 per diluted share, compared to net income of \$6.9 million, or \$0.58 per diluted share, in the three months ended October 31, 2005. Per share results are based on 11,517,000 and 11,865,000 diluted weighted average shares outstanding for the three-month periods ended October 31, 2006 and 2005, respectively.

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REX STORES REPORTS THIRD QUARTER RESULTS, 12/5/06

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Net income in the nine-month period ended October 31, 2006 was \$7.8 million, or \$0.67 per diluted share, compared with net income of \$21.7 million, or \$1.76 per diluted share, in the nine-month period ended October 31, 2005. Per share results are based on 11,608,000 and 12,353,000 diluted weighted average shares outstanding for the nine-month periods ended October 31, 2006 and October 31, 2005, respectively. Net sales in the 2006 nine-month period were \$251.5 million compared to \$259.6 million in the nine months ended October 31, 2005. Comparable store sales in the first nine months of fiscal 2006 declined 0.7% compared to the same year-ago period.

#### ETHANOL UPDATE

REX recently received notification that all conditions had been met for the Company to fund its \$16.0 million equity interest in Patriot Renewable Fuels LLC ("Patriot"). REX provided its funding on December 4, 2006. With funding obtained Patriot has commenced construction of a 100 million gallon per year ethanol production facility in Illinois.

As previously announced, during the third fiscal quarter REX funded \$11.5 million for Levelland/Hockley County Ethanol, LLC ("Levelland/Hockley"), a 40 million gallon per year ethanol production facility in Texas. The \$11.5 million funding, along with REX's previously announced \$5 million convertible secured promissory note commitment (expected to be funded by December 31, 2006), enables REX to secure a majority equity interest in the LLC that controls the facility. REX has an agreement, subject to certain conditions, to fund up to an additional \$6.5 million in Levelland/Hockley to further increase its ownership. Effective in the fiscal 2006 third quarter REX has consolidated Levelland/Hockley with its financial statements.

REX also funded \$5 million during the fiscal third quarter in Big River Resources, LLC ("Big River") and has entered into an agreement to fund an additional \$15 million in exchange for a minority equity interest in the entity. Through a holding company structure, Big River presently operates a 52 million gallon dry-mill ethanol manufacturing facility in Iowa. Big River intends to expand the plant to produce 80 million gallons per year and, through interests in other entities, intends to develop additional ethanol production plants.

REX intends to fund \$14 million in Millennium Ethanol, LLC ("Millennium") on or before April 1, 2007, for a convertible note that provides the Company rights to convert the note, with additional funds, into a minority ownership interest. Millennium has commenced construction of a 100 million gallon per year ethanol production facility in South Dakota.

In addition to the four ethanol commitments described above, REX has entered into a contingent agreement to fund \$24.9 million for One Earth Energy LLC, that intends to construct a 100 million gallon per year ethanol production facility in Illinois.

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 212/346-6584; 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.earnings.com](http://www.earnings.com); please allow 15 minutes to register, download and install any necessary software.

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Following its completion, a telephonic replay of the call can be accessed through 12:30 p.m. EST on December 12, 2006 by dialing 800/633-8284 or 402/977-9140 (international callers). The access code for the audio replay is 21310853. Alternatively, a replay will be available on the Internet for 30 days at WWW.REXTV.COM or WWW.EARNINGS.COM.

REX Stores Corporation is a leading specialty retailer of consumer electronic products and appliances. As of October 31, 2006, the Company operated 207 retail stores in 36 states under the trade name "REX." Over the past eight years, REX has also been active in several synthetic fuel investments and the Company currently has plans to participate in five proposed ethanol producing plants.

This news announcement contains or may contain 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 the risk factors set forth from time to time in the Company's filings with the Securities and Exchange Commission and 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, changes in real estate market conditions, 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, the potential for Section 29/45K tax credits to phase out based on the price of crude oil adjusted for inflation, and the uncertain amount of synthetic fuel production and resulting income received from time to time from the Company's synthetic fuel investments. As it relates to ethanol investments, risks and uncertainties include among other things: the uncertainty of constructing plants on time and on budget and the price volatility of corn, dried distiller grains, ethanol, gasoline and natural gas.

-tables follow-

REX STORES CORPORATION AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED STATEMENTS OF INCOME  
 (IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)  
 (UNAUDITED)

	Three Months Ended October 31		Nine Months Ended October 31			
	2006	2005	2006	2005		
NET SALES AND REVENUE		\$ 85,215	\$ 91,759	\$ 251,495	\$ 259,553	
Cost of sales	62,702	66,380	182,722	186,132		
Gross profit	22,513	25,379	68,773	73,421		
Selling, general and administrative expenses		23,284	24,102	68,485	69,578	
OPERATING (LOSS) INCOME		(771)	1,277	288	3,843	
INVESTMENT INCOME		341	23	920	155	
INTEREST EXPENSE		(562)	(664)	(1,549)	(1,946)	
GAIN ON SALE OF REAL ESTATE		462	253	2,197	253	
INCOME FROM SYNTHETIC FUEL INVESTMENTS			5,865	8,433	8,650	24,813
Income from continuing operations before provision for income taxes and discontinued operations		5,335	9,322	10,506	27,118	
PROVISION FOR INCOME TAXES		1,713	2,251	3,627	4,992	
Income from continuing operations		3,622	7,071	6,879	22,126	
Income (loss) from discontinued operations, net of tax		103	(189)	(168)	(548)	
Gain on disposal of discontinued operations, net of tax		1,090	--	1,090	125	
NET INCOME	\$4,815	\$6,882	\$7,801	\$21,703		
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	10,333	10,532	10,268	10,850		
Basic income per share from continuing operations	\$0.35	\$0.67	\$0.67	\$2.04		
Basic income (loss) per share from discontinued operations	0.01	(0.02)	(0.02)	(0.05)		
Basic income per share on disposal of discontinued operations	0.11	--	0.11	0.01		
BASIC NET INCOME PER SHARE	\$0.47	\$0.65	\$0.76	\$2.00		
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	11,517	11,865	11,608	12,353		
Diluted income per share from continuing operations	\$0.31	\$0.60	\$0.59	\$1.79		
Diluted income (loss) per share from discontinued operations	0.01	(0.02)	(0.01)	(0.04)		
Diluted income per share on disposal of discontinued operations	0.10	--	0.09	0.01		
DILUTED NET INCOME PER SHARE	\$0.42	\$0.58	\$0.67	\$1.76		

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REX STORES CORPORATION AND SUBSIDIARIES  
 CONDENSED CONSOLIDATED BALANCE SHEETS  
 (IN THOUSANDS)  
 (UNAUDITED)

	October 31 2006 ----	January 31 2006 ----	October 31 2005 ----	
<b>ASSETS</b>				
<b>CURRENT ASSETS:</b>				
Cash and cash equivalents	\$ 15,923	\$ 21,363	\$ 1,254	
Accounts receivable, net	3,757	3,457	4,460	
Synthetic fuel receivable	7,592	1,680	2,930	
Merchandise inventory	116,065	97,371	135,220	
Prepaid expenses and other	1,655	2,052	1,555	
Future income tax benefits	9,588	9,361	10,929	
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Total current assets	154,580	135,284	156,348	
PROPERTY AND EQUIPMENT, NET		121,846	125,245	127,626
ASSETS HELD FOR SALE		1,497	1,497	1,669
OTHER ASSETS	7,919	760	823	
FUTURE INCOME TAX BENEFITS		28,397	30,031	27,978
INVESTMENTS	5,000	--	--	
RESTRICTED INVESTMENTS		2,384	2,318	2,300
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Total assets	\$ 321,623	\$ 295,135	\$316,744	
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<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>				
<b>CURRENT LIABILITIES:</b>				
Current portion of long-term debt	\$2,354	\$2,389	\$2,958	
Current portion of deferred income and deferred gain on sale and leaseback	11,176	10,883	10,609	
Accounts payable, trade	23,153	20,396	38,919	
Accrued income taxes	1,587	541	418	
Accrued payroll and related items	4,302	7,183	5,777	
Other current liabilities	6,300	5,863	6,596	
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Total current liabilities	48,872	47,255	65,277	
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<b>LONG-TERM LIABILITIES:</b>				
Long-term mortgage debt	21,454	21,462	27,774	
Deferred income and deferred gain on sale and leaseback	13,106	12,213	11,349	
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Total long-term liabilities	34,560	33,675	39,123	
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<b>MINORITY INTEREST</b>				
	12,119	--	--	
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<b>SHAREHOLDERS' EQUITY:</b>				
Common stock	295	294	293	
Paid-in capital	138,700	135,775	134,985	
Retained earnings	248,699	240,898	234,332	
Treasury stock	(161,622)	(162,762)	(157,266)	
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Total shareholders' equity	226,072	214,205	212,344	
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Total liabilities and shareholders' equity	\$ 321,623	\$ 295,135	\$316,744	
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