

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): March 28, 2007

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 March 28, 2007, REX Stores Corporation issued a press release announcing financial results and comparable store sales for the three month and twelve month periods ended January 31, 2007. 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 March 28, 2007

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: March 28, 2007

By: /s/ DOUGLAS L. BRUGGEMAN

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

For further information contact:

Douglas Bruggeman
Chief Financial Officer
937/276-3931

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Jaffoni & Collins Incorporated
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REX STORES REPORTS FISCAL 2006 DILUTED EARNINGS
PER SHARE FROM CONTINUING OPERATIONS OF \$0.98

- REX PROVIDES UPDATE ON ETHANOL PROJECTS -

Dayton, Ohio (March 28, 2007) -- REX Stores Corporation (NYSE:RSC) today announced financial results and comparable store sales for the three- and twelve-month periods ended January 31, 2007 (the Company's 2006 fiscal year).

Net income in the fiscal year ended January 31, 2007 was \$11.4 million, or \$0.98 per diluted share, compared with net income of \$28.3 million, or \$2.31 per diluted share, in fiscal 2005. Per share results are based on 11,576,000 and 12,220,000 diluted weighted average shares outstanding for the fiscal years ended January 31, 2007 and January 31, 2006, respectively. Net sales and revenue in fiscal 2006 were \$347.3 million compared with \$374.5 million in fiscal 2005. Comparable store sales in fiscal 2006 declined 5.0% compared to fiscal 2005.

Net sales and revenue in the fiscal 2006 fourth quarter were \$104.4 million compared with \$123.5 million in the fiscal 2005 fourth quarter. Comparable store sales for the quarter ended January 31, 2007 declined 13.7%. 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.

REX recorded a total of \$4.1 million of income from synthetic fuel limited partnership investments, investment income and equity in unconsolidated affiliates in the quarter ended January 31, 2007 of which approximately \$2.1 million was income from synthetic fuel limited partnership investments. In the fiscal 2005 fourth quarter, REX recorded \$5.9 million of income from these sources of which \$5.7 million was derived from synthetic fuel limited partnership investments. For the 2006 calendar year the Company used an estimate of Section 29/45K tax credit phase-outs of 40% for recognizing income from synthetic fuel investments.

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REX STORES REPORTS FISCAL 2006 RESULTS, 3/28/07

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During fiscal 2006 the Company closed 25 stores, 14 of which were classified as discontinued operations and the Company recorded a \$0.4 million loss, net of taxes, for discontinued operations in the fiscal 2006 fourth quarter ended January 31, 2007.

For the quarter ended January 31, 2007, income from continuing operations, net of taxes was \$4.0 million, or \$0.34 per diluted share compared with income from continuing operations, net of taxes of \$6.6 million, or \$0.57 per diluted share in the same period a year ago. Net income in the quarter ended January 31, 2007 was \$3.6 million, or \$0.30 per diluted share, compared to net income of \$6.6 million, or \$0.57 per diluted share, for the quarter ended January 31, 2006. Per share results are based on 11,712,000 and 11,552,000 diluted weighted average shares outstanding for the quarters ended January 31, 2007 and 2006, respectively.

ETHANOL UPDATE

- [X] In December 2006 REX funded its \$16.0 million equity interest in Patriot Renewable Fuels LLC ("Patriot"). Patriot has commenced construction of a 100 million gallon per year ethanol production facility in Illinois.
- [X] In December 2006 REX funded a \$5 million convertible secured promissory note for Levelland/Hockley County Ethanol, LLC ("Levelland/Hockley"). The \$5 million convertible secured promissory note, if converted, along with REX's prior \$11.5 million funding of the facility will enable REX to secure a majority equity interest in the LLC that controls the facility. Levelland/Hockley has commenced construction on a 40 million gallon per year ethanol production facility in Texas. Effective in the fiscal 2006 third quarter REX consolidated Levelland/Hockley with its financial statements.
- [X] In January 2007 REX funded an additional \$5 million in Big River Resources, LLC ("Big River") bringing its total funding in the LLC to \$10 million. REX has a commitment, subject to certain conditions, to fund an additional \$10 million in Big River in exchange for an additional 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. In the fiscal 2006 fourth quarter REX recorded approximately \$0.5 million of income from equity in unconsolidated

affiliates related to its Big River interests.

|X| In December 2006, REX funded \$14 million in Millennium Ethanol, LLC ("Millennium") 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.

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[X] 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. EDT, 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, or at www.earnings.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 12:30 p.m. EDT on April 4, 2007 by dialing 800/633-8284 or 402/977-9140 (international callers). The access code for the audio replay is 21332997. 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. Over the past eight years, REX has also been active in several synthetic fuel investments and the Company currently has agreements to participate in five ethanol entities. As of January 31, 2007, the Company operated 193 retail stores in 35 states under the trade name "REX." In February 2007, the Company agreed to sell 94 of its current and former store locations and to leaseback a minimum of 40 of the properties for an initial lease term expiring January 31, 2010. The leases will contain renewal options for up to 15 additional years. Either party may terminate a lease after the first six months of the initial lease term on 23 to 30 of the sites as selected by the Company. The transaction is expected to close in late April 2007. Subsequent to the end of the 2006 fiscal year, the Company closed 29 stores resulting in a current store count of 164 stores.

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 JANUARY 31		TWELVE MONTHS ENDED JANUARY 31	
	2007	2006	2007	2006
	----	----	----	----
NET SALES AND REVENUE	\$ 104,441	\$ 123,508	\$ 347,334	\$ 374,451
Cost of sales	77,488	91,042	254,003	270,956
Gross profit	26,953	32,466	93,331	103,495
Selling, general and administrative expenses	24,969	28,700	91,031	95,783
INVESTMENT INCOME	1,454	153	2,374	308
INTEREST EXPENSE	(344)	(599)	(1,893)	(2,546)
EQUITY IN UNCONSOLIDATED AFFILIATES	498	-	498	-
GAIN ON SALE OF REAL ESTATE	-	-	2,197	253
INCOME FROM SYNTHETIC FUEL INVESTMENTS	2,114	5,702	10,764	30,515
Income from continuing operations before provision for income taxes	5,706	9,022	16,240	36,242
PROVISION FOR INCOME TAXES	1,725	2,408	5,375	7,428
Income from continuing operations	3,981	6,614	10,865	28,814
Loss from discontinued operations, net of tax	(431)	(130)	(620)	(754)
Gain on disposal of discontinued operations, net of tax	-	82	1,106	209
NET INCOME	\$3,550	\$6,566	\$11,351	\$28,269
	=====	=====	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	10,360	10,208	10,291	10,688
	=====	=====	=====	=====
Basic income per share from continuing operations	\$0.38	\$0.64	\$1.06	\$2.69
Basic loss per share from discontinued operations	(0.04)	(0.01)	(0.06)	(0.07)
Basic income per share on disposal of discontinued operations	-	0.01	0.10	0.02
BASIC NET INCOME PER SHARE	\$0.34	\$0.64	\$1.10	\$2.64
	=====	=====	=====	=====
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	11,712	11,552	11,576	12,220
	=====	=====	=====	=====
Diluted income per share from continuing operations	\$0.34	\$0.57	\$0.94	\$2.36
Diluted loss per share from discontinued operations	(0.04)	(0.01)	(0.05)	(0.06)
Diluted income per share on disposal of discontinued operations	-	0.01	0.09	0.01
DILUTED NET INCOME PER SHARE	\$ 0.30	\$ 0.57	\$ 0.98	\$ 2.31
	=====	=====	=====	=====

-table follows

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

	January 31, 2007 ----	January 31, 2006 ----
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 43,008	\$ 21,363
Accounts receivable, net	1,975	3,457
Synthetic fuel receivable	8,838	1,790
Merchandise inventory	70,078	97,371
Prepaid expenses and other	2,529	2,052
Future income tax benefits	9,192	9,361
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Total current assets	135,620	135,394
PROPERTY AND EQUIPMENT, NET	122,769	125,245
ASSETS HELD FOR SALE	2,009	1,497
OTHER ASSETS	4,138	760
GOODWILL	1,322	--
FUTURE INCOME TAX BENEFITS	26,245	30,031
INVESTMENTS	40,699	--
RESTRICTED INVESTMENTS	2,406	2,318
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Total assets	\$ 335,208 =====	\$ 295,245 =====
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Current portion of long-term debt	\$2,678	\$2,389
Current portion of deferred income and deferred gain on sale and leaseback	11,473	10,883
Accounts payable, trade	23,254	20,396
Accrued income taxes	593	541
Accrued payroll and related items	4,528	7,183
Other current liabilities	5,389	5,973
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Total current liabilities	47,915	47,365
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LONG-TERM LIABILITIES:		
Long-term mortgage debt	31,236	21,462
Deferred income and deferred gain on sale and leaseback	13,825	12,213
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Total long-term liabilities	45,061	33,675
	-----	-----
MINORITY INTEREST	11,443	--
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SHAREHOLDERS' EQUITY:		
Common stock	295	294
Paid-in capital	139,337	135,775
Retained earnings	252,249	240,898
Treasury stock	(161,092)	(162,762)
	-----	-----
Total shareholders' equity	230,789	--
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		214,205
	-----	-----
Total liabilities and shareholders' equity	\$335,208 =====	\$ 295,245 =====

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