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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-Q

(Mark One)

[x] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended October 31, 2005

OR

[ ] TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _________ to _________

Commission File Number 001-09097

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

Delaware (State or other jurisdiction of incorporation or organization)	31-1095548 (I.R.S. Employer Identification Number)
2875 Needmore Road, Dayton, Ohio (Address of principal executive offices)	45414 (Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.
Yes (X) No ( )

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act). Yes (X) No ( )

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ( ) No (X)

At the close of business on December 7, 2005 the registrant had 10,271,046 shares of Common Stock, par value $.01 per share, outstanding.

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REX STORES CORPORATION AND SUBSIDIARIES

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

REX STORES CORPORATION AND SUBSIDIARIES
Consolidated Condensed Balance Sheets

	October 31 2005 Unaudited	January 31 2005	October 31 2004 Unaudited
	(In Thousands)		
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	$ 1,254	$ 4,671	$ 1,075
Accounts receivable, net	4,460	5,460	5,088
Synthetic fuel receivable	2,930	1,675	1,848
Merchandise inventory	135,220	124,188	152,215
Prepaid expenses and other	1,555	1,230	2,897
Future income tax benefits	10,929	10,929	8,703
Total current assets	156,348	148,153	171,826
PROPERTY AND EQUIPMENT, NET	127,626	129,723	130,487
ASSETS HELD FOR SALE	1,669	1,986	2,569
OTHER ASSETS	823	841	612
FUTURE INCOME TAX BENEFITS	27,978	27,978	16,082
RESTRICTED INVESTMENTS	2,300	2,270	2,265
Total assets	$ 316,744	$ 310,951	$ 323,841
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Notes payable	$ -	$ -	$ 15,169
Current portion of long-term debt	2,958	2,897	2,939
Current portion of deferred income and deferred gain on sale and leaseback	10,609	10,432	10,378
Accounts payable, trade	38,919	32,842	49,259
Accrued income taxes	418	1,567	-
Accrued payroll and related items	5,777	6,303	5,101
Other current liabilities	6,596	6,152	7,454
Total current liabilities	65,277	60,193	90,300
LONG-TERM LIABILITIES:			
Long-term mortgage debt	27,774	30,501	31,633
Deferred income	11,349	11,703	11,522
Total long-term liabilities	39,123	42,204	43,155
SHAREHOLDERS' EQUITY:			
Common stock	293	290	287
Paid-in capital	134,985	133,474	130,705
Retained earnings	234,332	212,629	195,830
Treasury stock	(157,266)	(137,839)	(136,436)
Total shareholders' equity	212,344	208,554	190,386
Total liabilities and shareholders' equity	$ 316,744	$ 310,951	$ 323,841

The accompanying notes are an integral part of these unaudited consolidated condensed financial statements.

REX STORES CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements Of Income
Unaudited

	Three Months Ended October 31		Nine Months Ended October 31	
	2005	2004	2005	2004
	(In Thousands, Except Per Share Amounts)			
NET SALES	$ 94,321	$ 90,502	$ 267,011	$ 259,172
COSTS AND EXPENSES:				
Cost of merchandise sold	68,465	66,138	192,073	186,165
Gross profit	25,856	24,364	74,938	73,007
Selling, general and administrative expenses	24,689	24,846	71,284	71,359
Operating income (loss)	1,167	(482)	3,654	1,648
INVESTMENT INCOME	23	7	155	152
INTEREST EXPENSE	(690)	(719)	(2,020)	(2,437)
LOSS ON EARLY TERMINATION OF DEBT	-	-	-	(614)
GAIN ON SALE OF REAL ESTATE	253	121	253	121
INCOME FROM SYNTHETIC FUEL INVESTMENTS	8,433	5,219	24,813	13,798
Income from continuing operations before provision for income taxes and discontinued operations	9,186	4,146	26,855	12,668
PROVISION FOR INCOME TAXES	2,203	564	4,900	1,251
Income from continuing operations	6,983	3,582	21,955	11,417
Loss from discontinued operations, net of tax	(101)	(201)	(377)	(667)
Gain on disposal of discontinued operations, net of tax	-	-	125	-
Net Income	$ 6,882	$ 3,381	$ 21,703	$ 10,750
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	10,532	10,897	10,850	11,092
Basic income per share from continuing operations	$ 0.66	$ 0.33	$ 2.02	$ 1.03
Basic loss per share from discontinued operations	(0.01)	(0.02)	(0.03)	(0.06)
Basic income per share on disposal of discontinued operations	-	-	0.01	-
BASIC NET INCOME PER SHARE	$ 0.65	$ 0.31	$ 2.00	$ 0.97
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	11,865	12,610	12,353	12,778
Diluted income per share from continuing operations	$ 0.59	$ 0.29	$ 1.78	$ 0.89
Diluted loss per share from discontinued operations	(0.01)	(0.02)	(0.03)	(0.05)
Diluted income per share on disposal of discontinued operations	-	-	0.01	-
DILUTED NET INCOME PER SHARE	$ 0.58	$ 0.27	$ 1.76	$ 0.84

The accompanying notes are an integral part of these unaudited consolidated
condensed financial statements.

REX STORES CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements Of Shareholders' Equity
Unaudited

	Common Shares Issued Shares	Common Shares Issued Amount	Common Shares Treasury Shares	Common Shares Treasury Amount	Paid-in Capital	Retained Earnings	Total Shareholders' Equity
	(In Thousands)						
Balance at January 31, 2005	29,038	$ 290	17,865	$(137,839)	$133,474	$212,629	$208,554
Net income						21,703	21,703
Treasury stock acquired			1,697	(24,383)			(24,383)
Stock options exercised And related tax effects	289	3	(627)	4,956	1,511		6,470
Balance at October 31, 2005	29,327	$ 293	18,935	$(157,266)	$134,985	$234,332	$212,344

The accompanying notes are an integral part of these unaudited consolidated condensed financial statements.

REX STORES CORPORATION AND SUBSIDIARIES
Consolidated Condensed Statements Of Cash Flows
Unaudited

	Nine Months Ended October 31 2005	Nine Months Ended October 31 2004
	(In Thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	$ 21,703	$ 10,750
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization, net	3,330	3,051
Income from limited partnerships	(24,813)	(13,798)
(Gain) loss on disposal of fixed assets	(46)	246
Loss on early termination of debt	-	273
Deferred income	(177)	(1,106)
Deferred income tax	-	(1,437)
Changes in assets and liabilities:		
Accounts receivable	1,000	(282)
Merchandise inventory	(11,032)	(35,460)
Prepaid expenses and other	(325)	(1,689)
Other long term assets	18	2,865
Accounts payable, trade	6,077	16,514
Other current liabilities	(1,231)	(2,067)
NET CASH USED IN OPERATING ACTIVITIES	(5,496)	(22,140)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Capital expenditures	(2,390)	(5,438)
Proceeds from sale of partnership interest	23,558	15,048
Proceeds from sale of real estate and fixed assets	1,520	194
Proceeds from sale of investments	-	7,000
Restricted investments	(30)	(8)
NET CASH PROVIDED BY INVESTING ACTIVITIES	22,658	16,796
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase in notes payable	-	15,169
Payments of long-term debt	(2,666)	(24,234)
Stock options exercised	4,598	4,061
Treasury stock acquired	(22,511)	(8,357)
NET CASH USED IN FINANCING ACTIVITIES	(20,579)	(13,361)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,417)	(18,705)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	4,671	19,780
CASH AND CASH EQUIVALENTS, END OF PERIOD	$ 1,254	$ 1,075

The accompanying notes are an integral part of these unaudited consolidated condensed financial statements.

NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
October 31, 2005

Note 1. Consolidated Condensed Financial Statements

The consolidated condensed financial statements included in this report have been prepared by the Company, without audit, pursuant to the rules and regulations of the Securities and Exchange Commission and include, in the opinion of management, all adjustments necessary to state fairly the information set forth therein. Any such adjustments were of a normal recurring nature. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these unaudited consolidated condensed financial statements be read in conjunction with the consolidated financial statements and the notes thereto included in the Company's Annual Report on Form 10-K for the year ended January 31, 2005 (fiscal 2004). The results of operations for the interim periods are not necessarily indicative of the results to be expected for the year.

Note 2. Reclassifications

As a result of a previous reclassification of investments in auction rate securities from cash and cash equivalents to investments available for sale, there was an increase in sales of investments and an increase in cash provided by investing activities of $7 million in the nine months ended October 31, 2004 Consolidated Condensed Statement of Cash Flows. The Company reclassified $2.9 million of in transit credit card and finance contract settlements from cash to accounts receivable as of October 31, 2004.

Note 3. Accounting Policies

The interim consolidated condensed financial statements have been prepared in accordance with the accounting policies described in the notes to the consolidated financial statements included in the Company's 2004 Annual Report on Form 10-K. While management believes that the procedures followed in the preparation of interim financial information are reasonable, the accuracy of some estimated amounts is dependent upon facts that will exist or calculations that will be accomplished at fiscal year end. Examples of such estimates include management bonuses and the provision for income taxes. Any adjustments pursuant to such estimates during the quarter were of a normal recurring nature. The provision for income taxes could vary based upon full year synthetic fuel production levels, federal income tax law changes, the price of certain fuel products adjusted for inflation and Internal Revenue Service audits.

The following table reflects the approximate percent of net sales for each major product group for the periods presented.

Product Category	Three Months Ended October 31 2005	Three Months Ended October 31 2004	Nine Months Ended October 31 2005	Nine Months Ended October 31 2004
Televisions	56.6%	57.2%	53.7%	52.2%
Appliances	24.2	19.5	24.6	21.6
Audio	7.6	9.9	9.2	11.8
Video	4.5	5.6	4.9	6.3
Other	7.1	7.8	7.6	8.1
	100.0%	100.0%	100.0%	100.0%

The Company accounts for vendor allowances in accordance with Emerging Issues Task Force (EITF) 02-16 "Accounting by a Customer for Certain Consideration Received from a Vendor," which addresses how and when to reflect consideration received from vendors in the consolidated financial statements. Vendors often fund, up front, certain advertising costs and exposure to general changes in pricing to customers due to technological change. Allowances are deferred as received from vendors and recognized into income as an offset to the cost of merchandise sold when the related product is sold or expense incurred. Advertising costs are expensed as incurred.

Cost of merchandise sold includes the cost of merchandise, markdowns and inventory shrink, receiving, warehousing and freight charges to deliver merchandise to retail stores, service repair bills as well as cash discounts and rebates. The Company classifies purchasing costs as selling, general and administrative expenses. As a result of this classification, the Company's gross margins may not be comparable to those of other retailers that include costs related to their distribution network in selling, general and administrative expense.

The Company includes stores expenses (such as payroll and occupancy costs), advertising, purchasing, depreciation, insurance and overhead costs in selling, general and administrative expenses.

Interest expense of $2,020,000 for the nine months ended October 31, 2005 is net of approximately $15,000 of interest capitalized. Interest expense of $2,437,000 for the nine months ended October 31, 2004 is net of approximately $30,000 of interest capitalized. Cash paid for interest for the nine months ended October 31, 2005 and 2004 was approximately $1,907,000 and $2,320,000, respectively.

During the first nine months of fiscal 2004, the Company completed the early payoff of mortgages for 42 retail locations totaling approximately $21.6 million. The scheduled payment on these notes included approximately $0.5 million for the last three months of fiscal 2004, $6.2 million for fiscal 2005, $6.9 million for fiscal 2006, $1.6 million for fiscal 2007, $1.4 million for fiscal 2008 and $4.3 million thereafter. The Company incurred a charge of approximately $614,000, including cash payments of approximately $341,000 for the first nine months of fiscal 2004 related to this termination of debt.

During the first nine months of fiscal 2005 the Company received 132,271 shares of common stock into treasury with a market value of approximately $1.9 million as payment for the exercise of options for 422,775 shares of treasury and common stock.

The Company applies an effective tax rate to interim periods that is consistent with the Company's estimated annual tax rate. The tax credits generated from synthetic fuel operations reduce the Company's overall effective tax rate. As discussed in Note 6, the Company has divested itself of all ownership interests in facilities that produce synthetic fuel which qualifies for Section 29 tax credits. Thus, the Company will not receive any additional Section 29 tax credits from synthetic fuel production subsequent to October 1, 2005. Estimates of the effective tax rate may change based upon the level of federal income tax credits generated by the limited partnerships (and the resulting income), which the Company does not control, any limitations on those credits under the Internal Revenue Code and the level of income from the Company's retail operations.

The Company provides for deferred tax liabilities and assets for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis and operating loss and tax credit carryforwards. The Company provides for a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company paid income taxes of approximately $4.5 million and $2.4 million for the nine months ended October 31, 2005 and 2004, respectively.

Recently Issued Accounting Standards

In December 2004, The Financial Accounting Standards Board ("FASB") issued a revision to Statement of Financial Accounting Standards 123, "Share-Based Payment ("SFAS 123(R)"). The revision requires all entities to recognize compensation expense in an amount equal to the fair value of share-based payments granted to employees. SFAS 123(R) eliminates the alternative method of accounting for employee share-based payments previously available under Accounting Principles Board Opinion No. 25 ("APB 25"). In April 2005, the Securities and Exchange Commission delayed the effective date of SFAS 123(R) to fiscal years beginning after June 15, 2005. As a result, SFAS 123(R) will be effective for the Company beginning in the first quarter of fiscal 2006. The Company has not completed its evaluation of the impact that adopting SFAS 123(R) will have on the financial statements.

In March 2005, the FASB issued FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations -- an Interpretation of FASB Statement No. 143" ("FIN 47"). FIN 47 clarifies that the term "conditional asset retirement obligation" as used in FASB Statement No. 143, "Accounting for Asset Retirement Obligations," refers to a legal obligation to perform an asset retirement activity in which the timing and (or) method of settlement are conditional on a future event that may or may not be within the control of the entity. Accordingly, an entity is required to recognize a liability for the fair value of a conditional asset retirement obligation if the fair value of the liability can be reasonably estimated. FIN 47 is effective at the end of the Company's fiscal year ending January 31, 2006. The impact of FIN 47 is not expected to have a material effect on the Company's consolidated financial statements.

In May 2005, the FASB issued SFAS 154, "Accounting Changes and Error Corrections - A Replacement of Accounting Principles Board (APB) Opinion No. 20 and SFAS 3." SFAS 154 requires retrospective application to prior periods' financial statements for a change in accounting principle, unless it is impracticable to determine either the period-specific effects or the cumulative effect of the change. Additionally, retrospective application is not required when explicit transition requirements specific to newly adopted accounting principles exist. Retrospective application requires the cumulative effect of the change on periods prior to those presented to be reflected in the carrying amounts of assets and liabilities as of the beginning of the first period presented and the offsetting adjustments to be recorded to opening retained earnings. SFAS 154 retains the guidance contained in APB No. 20 for reporting both the correction of an error in previously issued financial statements and a change in accounting estimate. SFAS 154 will become effective for accounting changes and corrections of errors made in fiscal years beginning after December 15, 2005. The Company is required to adopt the provisions of SFAS 154, as applicable, beginning in the first quarter of fiscal 2006.

In July of 2005, the FASB issued a proposed interpretation of SFAS 109, "Accounting for Income Taxes", to clarify certain aspects of accounting for uncertain tax positions, including issues related to the recognition and measurement of those tax positions. The interpretation, which is not yet finalized, would be effective in the first quarter of fiscal 2006. Any adjustments required to be recorded as a result of adopting the interpretation would be reflected as a cumulative effect from a change in accounting principle. The Company is in the process of determining the impact this proposed interpretation will have on the Company's consolidated financial statements.

Note 4. Stock Option Plans

The Company has stock-based compensation plans under which stock options have been granted to directors, officers and key employees at the market price on the date of the grant.

The following summarizes options granted, exercised and canceled or expired during the nine months ended October 31, 2005:

Outstanding at January 31, 2005 ($3.61 to $16.04 per share).............	5,751,308
Exercised ($3.61 to $14.745 per share)..................................	(915,403)
Canceled or expired ($8.01 to $16.04 per share).........................	(58,534)
Outstanding at October 31, 2005 ($3.61 to $16.04 per share).............	4,777,371

Pursuant to SFAS No. 123, "Accounting for Stock-Based Compensation," the Company has elected to account for its employee stock option plans under APB Opinion No. 25, "Accounting for Stock Issued to Employees," which recognizes expense based on the intrinsic value at date of grant. As stock options have been issued with exercise prices equal to grant date fair value, no compensation cost has resulted.

Had compensation cost for all options granted been determined based on the fair value at grant date consistent with SFAS No. 123, the Company's net earnings and earnings per share would have been as follows (in thousands, except per share amounts):

		Three Months Ended October 31		Nine Months Ended October 31	
		2005	2004	2005	2004
Net Income	As Reported	$6,882	$3,381	$21,703	$10,750
	Compensation Cost, net of tax	625	821	2,965	2,361
	Pro forma	6,257	2,560	18,738	8,389
Basic net income per share					
	As Reported	$ 0.65	$ 0.31	$ 2.00	$ 0.97
	Compensation Cost, net of tax	0.06	0.08	0.27	0.21
	Pro forma	0.59	0.23	1.73	0.76
Diluted net income per share					
	As Reported	$ 0.58	$ 0.27	$ 1.76	$ 0.84
	Compensation Cost, net of tax	0.05	0.07	0.24	0.18
	Pro forma	0.53	0.20	1.52	0.66

The compensation cost, net of tax for the nine months ended October 31, 2005 includes approximately $766,000 related to the accelerated vesting of certain options, effective May 26, 2005 which were granted to non-director employees on April 30, 2002.

The assumptions used to calculate the fair value of options granted are evaluated and revised, as necessary, to reflect market conditions and experience.

Note 5. Income Per Share from Continuing Operations

The following table reconciles the basic and diluted net income per share from continuing operations computation for each period presented (in thousands, except per share amounts):

	Three Months Ended October 31, 2005			Nine Months Ended October 31, 2005		
	Income	Shares	Per Share	Income	Shares	Per Share
Basic income per share from continuing operations	$6,983	10,532	$0.66	$21,955	10,850	$2.02
Effect of stock options		1,333			1,503	
Diluted income per share from continuing operations	$6,983	11,865	$0.59	$21,955	12,353	$1.78

	Three Months Ended October 31, 2004			Nine Months Ended October 31, 2004		
	Income	Shares	Per Share	Income	Shares	Per Share
Basic income per share from continuing operations	$3,582	10,897	$0.33	$11,417	11,092	$1.03
Effect of stock options		1,713			1,686	
Diluted income per share from continuing operations	$3,582	12,610	$0.29	$11,417	12,778	$0.89

For the three and nine months ended October 31, 2005, a total of 303,502 shares subject to outstanding options were not included in the common equivalent shares outstanding calculation as the exercise prices were above the average trading price of the Company's comon stock for that period. For the three and nine months ended October 31, 2004, a total of 333,536 shares subject to outstanding options were not included in the common equivalent shares outstanding calculation as the exercise prices were above the average trading price of the Company's common stock for that period.

Note 6. Synthetic Fuel

Income from continuing operations for the third quarter and first nine months of fiscal 2005 includes approximately $6.0 million and $18.2 million, respectively, of pre-tax investment income from the sales of the Company's entire partnership interest in Colona SynFuel Limited Partnership, L.L.L.P., a synthetic fuel limited partnership. Because the purchase price is based on the value of Section 29 tax credits generated, it is subject to production levels and to possible reduction or elimination to the extent the credit is limited. Of the $18.2 million for the first nine months of fiscal 2005, approximately $448,000 relates to a payment received for 2004 production. The 2004 production payments made to the Company were based upon estimated income tax credits per ton of coal produced. The $448,000 payment was made to the Company after the Internal Revenue Service published the 2004 inflation rate used for the income tax credit per ton calculation in April 2005.

On March 30, 2004, the Company also sold its entire ownership interest in a limited liability company that owned a synthetic fuel facility in Gillette, Wyoming. The Company received $2.8 million at closing along with a secured contingent payment note that could provide additional investment income to the Company. The facility resumed commercial operations during the second quarter of fiscal 2005; as such, the Company received $3.5 million as a one-time payment per the terms of the purchase agreement. In addition, the Company is eligible to receive $1.50 per ton of "qualified production" produced and sold by the facility through 2007. Because the purchase price is based on the value of Section 29 tax credits generated, it is subject to production levels and to possible reduction or elimination to the extent the credit is limited. During the third quarter and first nine months of fiscal 2005, the Company recognized approximately $1.2 million and $5.5 million (inclusive of the $3.5 million one time payment), respectively, of pre-tax investment income from this sale.

Effective October 1, 2005, the Company sold its entire ownership interest in a limited partnership, Somerset SynFuel, L.P., that owned two synthetic fuel facilities. The Company received $1.2 million, net of commissions, at closing along with a secured contingent payment note that could provide additional investment income to the Company. The Company expects to receive quarterly payments through 2007 equal to 80% of the Section 29 tax credits attributable to the ownership interest sold, once such amount exceeds $1.2 million. Because the purchase price is based on the value of Section 29 tax credits generated, it is subject to production levels and to possible reduction or elimination to the extent the credit is limited. During the third quarter and first nine months of fiscal 2005, the Company recognized approximately $1.2 million, net of commissions, of pre-tax investment income from this sale. With this sale, the Company has divested itself of all ownership interests in facilities that produce synthetic fuel which qualifies for Section 29 tax credits.

As provided by the current Internal Revenue Code, the Code Section 29 tax credit program is expected to continue through December 31, 2007. Recent increases in the price of oil could limit the amount of those credits or eliminate them altogether for 2005 and one or more of the years following fiscal 2005. This possibility is due to a provision of Section 29 that provides that if the average wellhead price per barrel for unregulated domestic crude oil for the year (the "Annual Average Price") exceeds a certain threshold value (the "Threshold Price"), the Section 29 tax credits are subject to phase out. For calendar year 2004, the Threshold Price was $51.34 per barrel and the Phase Out Price was $64.47 per barrel. The Threshold Price and the Phase Out Price are adjusted annually as a result of inflation and are published by the Internal Revenue Service in April of the following year.

The Company cannot predict with any certainty the Annual Average Price for 2005 or beyond. Therefore, it cannot predict whether the price of oil will have a material effect on its synthetic fuel business after 2004. However, if during 2005, or in subsequent years, oil prices remain at historically high levels or increase, such that the Annual Average Price exceeds the Threshold Price, the Company's synthetic fuel business may be adversely affected for those years, and, depending on the magnitude of such increases in oil prices, the adverse affect for those years could be material and could have an impact on the Company's synthetic fuel results of operations.

Note 7. Discontinued Operations and Assets Held for Sale

During the first nine months of fiscal 2005 the Company closed seven stores in which the Company vacated the market or will not have a further continuing involvement with the related property. Those stores and certain other stores closed in previous periods or scheduled to be closed in the next twelve months were classified as discontinued operations for all periods presented. Two of the closed stores are classified as held for sale. The net assets of those stores at October 31, 2005 were approximately $1.7 million. The Company expects to sell the assets related to these stores within the next 12 months through normal real estate channels. No loss has been recognized as the estimated net realizable values exceed the carrying values of these assets.

Below is a table reflecting certain items of the income statement that were reclassified as discontinued operations for the period indicated.

	Three Months Ended October 31		Nine Months Ended October 31	
	2005	2004	2005	2004
	(In Thousands)			
Net sales	$819	$3,875	$4,003	$12,631
Cost of merchandise sold	673	2,957	3,242	9,576
Loss before benefit for income taxes	155	309	580	1,026
Benefit for income taxes	54	108	203	359
Net loss	$101	$201	$377	$667

Note 8. Storm Damage

On August 30, 2005, Hurricane Katrina caused damage to three stores. The Company has substantially completed the evaluation of the related damage. The impact of business interruption or required repairs to damaged stores did not have a material impact on results of operations or require material capital expenditures. All stores were open and in operation as of October 31, 2005.

Note 9. Subsequent Event

On November 28, 2005, the Company entered into an agreement to purchase a $5 million convertible secured promissory note. The proceeds of the note will be used to capitalize a limited liability company that intends to construct, and subsequently, operate an ethanol producing facility. The purchase of the note is expected to occur before June 1, 2006, subject to the limited liability company obtaining additional financing and certain other conditions. The note purchase agreement requires the Company to obtain a $5 million irrevocable letter of credit to secure the Company's obligation to purchase the note. The note will allow the Company, at its sole discretion, to convert the note into an equity interest in the limited liability company. The $5 million letter of credit will reduce the borrowing availability under the Company's revolving line of credit.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

We are a specialty retailer in the consumer electronics/appliance industry. As of October 31, 2005 we operated 226 stores in 37 states, predominantly in small to medium-sized markets under the trade name "REX".

Fiscal Year

All references in this report to a particular fiscal year are to REX's fiscal year ended January 31. For example, "fiscal 2005" means the period February 1, 2005 to January 31, 2006.

Results of Operations

The following table sets forth, for the periods indicated, the relative percentages that certain income and expense items bear to net sales:

	Three Months Ended October 31		Nine Months Ended October 31	
	2005	2004	2005	2004
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of merchandise sold	72.6	73.1	71.9	71.8
Gross profit	27.4	26.9	28.1	28.2
Selling, general and administrative expenses	26.2	27.4	26.7	27.6
Operating income (loss)	1.2	(0.5)	1.4	0.6
Investment income	-	-	0.1	0.1
Interest expense	(0.7)	(0.8)	(0.8)	(0.9)
Loss on early termination of debt	-	-	-	(0.2)
Gain on sale of real estate	0.3	0.1	-	-
Income from synthetic fuel investments	8.9	5.7	9.3	5.3
Income from continuing operations before provision for income taxes and discontinued operations	9.7	4.5	10.0	4.9
Provision for income taxes	2.3	0.6	1.8	0.5
Income from continuing operations	7.4	3.9	8.2	4.4
Loss from discontinued operations, net of tax	(0.1)	(0.2)	(0.1)	(0.3)
Gain on disposal of discontinued operations, net of tax	-	-	-	-
Net income	7.3%	3.7%	8.1%	4.1%

Comparison of Three Months and Nine Months Ended October 31, 2005 and 2004

Net sales in the quarter ended October 31, 2005 were $94.3 million compared to $90.5 million in the prior year's third quarter, representing an increase of $3.8 million or 4.2%. Net sales do not include sales from stores classified in discontinued operations.

This increase was primarily caused by an increase in comparable store sales of 4.6% for the third quarter of fiscal 2005. We consider a store to be comparable after it has been open six full fiscal quarters. Comparable store sales do not include sales of extended service contracts. We had a net reduction of 13 stores (11 of which were classified as discontinued operations) since the end of the third quarter of fiscal 2004.

Our strongest product category for the third quarter of fiscal 2005 was the appliance category which positively impacted comparable store sales by 6.3%. This increase is partially related to higher demand for air conditioners and an increased promotional effort. Additionally, our stores serving the Gulf Coast region experienced higher demand for appliances as a result of the recent hurricanes. The television category positively impacted comparable store sales by 1.6% as we continue to experience growth in light engine and plasma sets. The audio category negatively impacted comparable store sales by 2.0%. The video category negatively impacted comparable store sales by 1.1%. Both the audio and video categories have been impacted by lower price points of their respective products, as these products are becoming more of a commodity item with very high levels of competition.

Net sales for the first nine months of fiscal 2005 were $267.0 million compared to $259.2 million for the first nine months of fiscal 2004. This represents an increase of $7.8 million or 3.0%. Comparable store sales increased by approximately 3.7% for the first nine months of fiscal 2005.

The television and appliance product categories positively impacted comparable store sales for the first nine months of fiscal 2005 with the appliance category impact being 4.3% and the television category impact being 3.2%. Strong air conditioner demand and promotional efforts accounted for a majority of the increase in the appliance comparable store sales performance and demand for light engine and plasma televisions contributed to the television category increase. The appliance category has also recently benefited from strong demand for appliances in the Gulf Coast region as a result of the recent hurricane related damage to markets we serve. The audio and video categories negatively impacted comparable store sales for the first nine months of fiscal 2005 by 2.3% and 1.5%, respectively, reflecting a continuing trend of lower price points of the respective products, as these products are becoming more of a commodity item with very high levels of competition.

The following table reflects the approximate percent of net sales for each major product group for the periods presented.

Product Category	Three Months Ended October 31 2005	Three Months Ended October 31 2004	Nine Months Ended October 31 2005	Nine Months Ended October 31 2004
Televisions	56.6%	57.2%	53.7%	52.2%
Appliances	24.2	19.5	24.6	21.6
Audio	7.6	9.9	9.2	11.8
Video	4.5	5.6	4.9	6.3
Other	7.1	7.8	7.6	8.1
	100.0%	100.0%	100.0%	100.0%

As of October 31, 2005, we operated 226 stores compared to 238 stores one year earlier. We did not open any stores and closed eight stores during the first nine months of fiscal 2005. We did not open any stores and closed ten stores during the first nine months of fiscal 2004. As of October 31, 2005, we also own six properties that are leased, under operating leases, to tenants. At October 31, 2004, we owned four properties that were leased, under operating leases, to tenants.

Gross profit of $25.9 million (27.4% of net sales) in the third quarter of fiscal 2005 was approximately $1.5 million higher than the $24.4 million (26.9% of net sales) recorded in the third quarter of fiscal 2004. Gross profit for the first nine months of fiscal 2005 was $74.9 million (28.1% of net sales) compared to $73.0 million (28.2% of net sales) for the first nine months of fiscal 2004. Gross profit margin for the third quarter and first nine months of fiscal 2005 was positively impacted by air conditioner sales which tend to have higher gross profit margins than our other core products and benefited from opportunistic buys in the current year. Gross profit margin for the first nine months of fiscal 2005 was negatively impacted by recognition of a lower amount of extended service contract sales which generally have a higher gross profit margin associated with it. Extended service contract revenue recognized was $8.8 million for the first nine months of fiscal 2005, a decrease of $0.9 million (9.4%) from $9.7 million for the first nine months of fiscal 2004.

Selling, general and administrative expenses for the third quarter of fiscal 2005 were $24.7 million (26.2% of net sales), a decrease of $0.1 million or 0.6% from $24.8 million (27.4% of net sales) for the third quarter of fiscal 2004. Selling, general and administrative expenses were $71.3 million (26.7% of net sales) for the first nine months of fiscal 2005 representing a decrease of $0.1 million or 0.1% from $71.4 million (27.6% of net sales) for the first nine months of fiscal 2004. The decrease in expenditures was primarily a result of lower advertising expenditures. This decrease was partially offset by a corresponding increase in payroll costs associated with higher commissions paid to sales personnel as well as accruals for executive incentive pay associated with higher corporate profitability.

Operating income in the third quarter of fiscal 2005 was $1.2 million (1.2% of net sales), an increase of $1.7 million (342.1%) from the loss of $0.5 million (0.5% of net sales) for the third quarter of fiscal 2004. Operating income in the first nine months of fiscal 2005 was $3.7 million

(1.4% of net sales), an increase of $2.1 million (121.7%) over the $1.6 million (0.6% of net sales) for the first nine months of fiscal 2004.

Investment income was $23,000 and $7,000 for the third quarter of fiscal 2005 and 2004, respectively. Investment income for the first nine months of fiscal 2005 was $155,000 (0.1% of net sales), compared to $152,000 for the first nine months of fiscal 2004.

Interest expense was $0.7 million (0.7% of net sales) for the third quarter of fiscal 2005 compared to $0.7 million (0.8% of net sales) for the third quarter of fiscal 2004. Interest expense was $2.0 million (0.8% of net sales) for the first nine months of fiscal 2005 compared to $2.4 million (0.9% of net sales) for the first nine months of fiscal 2004. Interest expense for the current year has been lowered due to lower average borrowings on the line of credit and the pay-off of approximately $25.4 million in mortgage debt in the prior year.

During the third quarter and nine months ended October 31, 2005, we sold one parcel of land attached to an owned property for a gain of approximately $0.3 million. During the third quarter and nine months ended October 31, 2004, we sold two parcels of land attached to owned properties for a gain of approximately $0.1 million.

During the first nine months of fiscal 2004 we completed the early payoff of mortgages for 42 retail locations totaling approximately $21.6 million. We incurred a charge of approximately $0.6 million including cash payments of approximately $0.3 million, for the first nine months of fiscal 2004 related to this termination of debt. There were no early terminations of debt that resulted in additional charges in fiscal 2005.

Results for the third quarter and first nine months of fiscals 2005 and 2004 reflect the impact of the sales of our investment in Colona SynFuel Limited Partnership, L.L.L.P. (Colona), which produces synthetic fuels. We sold our ownership interest in the Colona limited partnership through a series of three sales. We expect to receive payments from the sales on a quarterly basis through 2007, which will range from 74.25% to 82.5% of the federal income tax credits attributable to the interest sold.

Below is a table summarizing the income from the sales of our investment in Colona, net of certain expenses. The higher income for the current year generally reflects higher production levels compared to the previous year.

	Three Months Ended October 31		Nine Months Ended October 31	
	2005	2004	2005	2004
	(In Thousands)			
February 1, 1999 sale	$2,148	$2,083	$6,670	$5,260
July 31, 2000 sale	2,058	1,660	6,079	4,298
May 31, 2001 sale	1,829	1,476	5,403	3,772
	$6,035	$5,219	$18,152	$13,330

Income from synthetic fuel investments for the third quarter and first nine months of fiscal 2005 also includes income related to our sale of our membership interest in the limited liability company that owned a synthetic fuel facility in Gillette, Wyoming. We received $2.8 million (resulting in $0.5 million in pre tax investment income) at the time of sale on March 30, 2004 along with a secured contingent payment note that could provide additional investment income to the Company. The facility resumed commercial operations during the second quarter of fiscal 2005; as such, we received $3.5 million as a one-time payment per the terms of the purchase agreement. In addition, we are eligible to receive $1.50 per ton of "qualified production" produced by the facility and sold through 2007. During the third quarter and first nine months of fiscal 2005, we recognized approximately $1.2 million and $5.5 million, respectively, of pre-tax investment income.

Effective October 1, 2005, we sold our entire ownership interest in a limited partnership, Somerset SynFuel, L.P. that owned two synthetic fuel facilities. We received $1.2 million, net of commissions, at closing along with a secured contingent payment note that could provide additional investment income. We expect to receive quarterly payments through 2007 equal to 80% of the Section 29 tax credits attributable to the ownership interest sold, once such amount exceeds $1.2 million. Because the purchase price is based on the value of Section 29 tax credits generated, it is subject to production levels and to possible reduction or elimination to the extent the credit is limited. During the third quarter and first nine months of fiscal 2005, we recognized approximately $1.2 million, net of commissions, of pre-tax investment income from this sale. With this sale, we have divested all of our ownership interests in facilities that produce synthetic fuel which qualifies for Section 29 tax credits.

Our effective tax rate was 24.0% and 13.6% for the third quarter of fiscals 2005 and 2004, respectively, after reflecting our share of federal income tax credits earned by the limited partnerships under Section 29 of the Internal Revenue Code. Our effective tax rate was 18.2% and 9.9% for the first nine months of fiscals 2005 and 2004, respectively. Our effective tax was reduced for the nine months ended October 31, 2004 as a result of a $1.4 million reduction in our valuation allowance for the alternative minimum tax credit carryforwards resulting from the June, 2004 conclusion of the Internal Revenue Service audit of the Somerset partnership for certain years. The audit resulted in no change to the tax credits for the period audited. The effective tax rate for the remainder of fiscal 2005 could fluctuate depending upon the level of federal income tax credits generated by the limited partnerships (and the resulting income), which we do not control, any limitations on those credits under the Internal Revenue Code and the level of income from our retail operations. We expect our effective tax rate to increase for periods subsequent to fiscal 2005, as we no longer receive Section 29 federal income tax credits as a result of our sale of the Somerset partnership described above.

During the quarter and nine months ended October 31, 2005 we closed or committed to close two and seven stores, respectively, that were classified as discontinued operations. As a result of these closings and certain other store closings from prior periods, we had a loss from discontinued operations, net of tax benefit, of $0.1 million for the third quarter of fiscal 2005, compared to a loss of $0.2 million for the third quarter of fiscal 2004. We had a loss from discontinued operations, net of tax benefit, of $0.4 million for the first nine months of fiscal 2005 compared to $0.7 million for the first nine months of fiscal 2004.

We sold one property during the first nine months of fiscal 2005 that had been previously closed. As a result, we had a gain, net of tax expense, of $0.1 million.

As a result of the foregoing, net income for the third quarter of fiscal 2005 was $6.9 million, a 103.5% increase from $3.4 million for the third quarter of fiscal 2004. Net income for the first nine months of fiscal 2005 was $21.7 million, a 101.9% increase from $10.8 million for the first nine months of fiscal 2004.

Three of our stores were damaged by Hurricane Katrina. We have substantially completed the evaluation of the related damage and the impact of business interruption or required repairs to damaged stores did not have a material impact on results of operations or required material capital expenditures. All of our damaged stores were open and in operation as of October 31, 2005.

Liquidity and Capital Resources

Net cash used in operating activities was approximately $5.5 million for the first nine months of fiscal 2005, compared to $22.1 million used in operating activities for the first nine months of fiscal 2004. For the first nine months of fiscal 2005, cash was provided by net income of $21.7 million, adjusted for the impact of $24.8 million for gains on our installment sales of the limited partnership interests, non-cash items of $3.8 million, which consisted of depreciation and amortization, accounts receivable, deferred income, prepaid expenses and gain or loss on disposal of fixed assets. In addition, accounts payable provided cash of $6.1 million, primarily a result of changes in inventory levels. The primary use of cash was an increase in inventory of $11.0 million primarily due to seasonal fluctuations. The inventory decline from October 31, 2004 primarily results from lower television and air conditioner levels. The other use of cash was a decrease in other current liabilities of $1.2 million.

At October 31, 2005, working capital was $91.1 million compared to $88.0 million at January 31, 2005. This increase is primarily a result of greater cash proceeds from our synthetic fuel investments and retail operations. The ratio of current assets to current liabilities was 2.4 to 1 at October 31, 2005 and 2.5 to 1 at January 31, 2005.

During the first nine months of fiscal 2005, we received proceeds of $23.6 million from installment sales of our ownership interests in synthetic fuel entities. We had capital expenditures of approximately $2.4 million during the first nine months of fiscal 2005, primarily related to the relocation of a store, the purchase of a store previously leased and improvements to a distribution center. We received proceeds of approximately $1.5 million from the sale of a store previously closed and reported as discontinued operations and the sale of one parcel of land attached to an owned property.

Cash used in financing activities totaled approximately $20.6 million for the first nine months of fiscal 2005. Cash was provided by stock option activity of $4.6 million. We also recorded a tax benefit of approximately $1.8 million during the first nine months of fiscal 2005 from the exercise of non-qualified stock options as an increase in additional paid-in capital. Cash of $2.7 million was used for scheduled payments of mortgage debt. Cash of approximately $22.5 million was also used to acquire approximately 1.6 million shares of our common stock. On August 30, 2005, our Board of

Directors increased our share repurchase authorization by an additional 1 million shares. We currently have approximately 747,000 authorized shares remaining available for purchase under the stock buy-back program.

Forward-Looking Statements

This Form 10-Q contains or may contain forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. The words "believes", "estimates", "plans", "expects", "intends", "anticipates" and similar expressions as they relate to the Company or its management are intended to identify such forward-looking statements. Forward-looking statements are inherently subject to risks and uncertainties. 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 interests in synthetic fuel investments, the uncertain amount of synthetic fuel production and tax credits received from time to time from the Company's synthetic fuel investments, and the potential for Section 29 tax credits to phase out based on the price of crude oil adjusted for inflation. Other factors that could cause actual results to differ materially from those in the forward-looking statements are set forth in Exhibit 99(a) to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2005 (File No. 001-09097).

Item 3. Quantitative and Qualitative Disclosures About Market Risk

No material changes since January 31, 2005.

Item 4. Controls and Procedures

The Company's management evaluated, with the participation of the Company's Chief Executive Officer and Chief Financial Officer, the effectiveness of the Company's disclosure controls and procedures, as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective to ensure that information required to be disclosed by the Company in the reports that it files or submits under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

There were no changes in the Company's internal control over financial reporting that occurred during the Company's last fiscal quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Issuer Purchases of Equity Securities

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs (2)	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs (2)
August 1-31, 2005	87,700	$14.78	87,700	1,255,945
September 1-30, 2005	166,275	$13.97	124,100	1,131,845
October 1-31, 2005	243,500	$13.26	243,500	888,345
Total	497,475	$ 13.77	455,300	888,345

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(1) A total of 42,175 shares of common stock were purchased by the Company other than through a publicly announced plan or program. These shares were acquired on September 30, 2005 in payment of the exercise price of stock options exercised by Stuart A. Rose, Chairman and Chief Executive Officer of the Company pursuant to the Company's Stock-for-Stock and Cashless Option Exercise Rules and Procedures, adopted on June 4, 2001. The purchase price was $13.10 per share.

(2) On August 30, 2005, the Company's Board of Directors increased the Company's share repurchase authorization by an additional 1,000,000 shares. At October 31, 2005, a total of 888,345 shares remained available to purchase under this plan. There are currently 747,000 shares remaining available to purchase under this plan after reflecting shares purchased subsequent to the end of the fiscal 2005 third quarter.

Item 6. Exhibits.

The following exhibits are filed with this report:

31 Rule 13a-14(a)/15d-14(a) Certifications

32 Section 1350 Certifications

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.

REX STORES CORPORATION
Registrant

Signature	Title	Date
/s/ Stuart A. Rose (Stuart A. Rose)	Chairman of the Board (Chief Executive Officer)	December 8, 2005
/s/ Douglas L. Bruggeman (Douglas L. Bruggeman)	Vice President, Finance and Treasurer (Chief Financial Officer)	December 8, 2005

Exhibit 31

CERTIFICATIONS

I, Stuart A. Rose, certify that:

1. I have reviewed this quarterly report on Form 10-Q of REX Stores Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 8, 2005

/s/ Stuart A. Rose
Stuart A. Rose
Chairman of the Board and
Chief Executive Officer

CERTIFICATIONS

I, Douglas L. Bruggeman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of REX Stores Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rule 13a-15(f) and 15d-15(f)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

(c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: December 8, 2005

/s/ Douglas L. Bruggeman
Douglas L. Bruggeman
Vice President, Finance, Treasurer and
Chief Financial Officer

Exhibit 32

REX Stores Corporation
CERTIFICATION PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

The undersigned officers of REX Stores Corporation (the "Company") hereby certify, to their knowledge, that the Company's Quarterly Report on Form 10-Q for the period ended October 31, 2005, which this certificate accompanies, fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained therein fairly presents, in all material respects, the financial condition and results of operations of the Company.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Stuart A. Rose
Stuart A. Rose

/s/ Douglas L. Bruggeman
Douglas L. Bruggeman

Dated: December 8, 2005