

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 24, 2006

REX STORES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	001-09097	31-1095548
(State or other jurisdiction of incorporation)	(Commission File No.)	(IRS Employer Identification No.)

2875 Needmore Road, Dayton, Ohio	45414
(Address of principal executive offices)	(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 (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 March 24, 2006, 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, 2006. 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 24, 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: March 24, 2006

By: /s/ DOUGLAS L. BRUGGEMAN

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

[REX STORES LOGO]

News Announcement

For Immediate Release

For further information contact:

Douglas Bruggeman
Chief Financial Officer
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Joseph N. Jaffoni/David Collins
Jaffoni & Collins Incorporated
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REX STORES REPORTS RECORD DILUTED
EARNINGS PER SHARE OF \$2.31 FOR FISCAL 2005

- Fiscal Fourth Quarter Comp Store Sales Rise 7.9% -

- Reports Fourth Quarter Earnings Per Diluted Share of \$0.57 -

Dayton, Ohio (March 24, 2006) -- 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 twelve-month periods ended January 31, 2006 (the Company's 2005 fiscal year).

Net income in the three months ended January 31, 2006 was \$6.6 million, or \$0.57 per diluted share, compared with net income of \$16.8 million, or \$1.30 per diluted share, in the three months ended January 31, 2005. Results for the quarterly period ended January 31, 2005 reflect an \$8.0 million income tax benefit primarily due to the reduction of valuation allowances for tax credits earned by the Company's investment in a synthetic fuel limited partnership, which resulted from the completion of an Internal Revenue Service examination. In the quarter ended January 31, 2006, REX Stores recorded income tax expense of \$2.5 million. Per share results are based on 11,552,000 and 12,899,000 diluted weighted average shares outstanding for the three-month periods ending January 31, 2006 and January 31, 2005, respectively.

In the three months ended January 31, 2006, REX Stores recorded operating income of \$4.0 million, compared with operating income of \$4.5 million in the quarter ended January 31, 2005. For the quarter ended January 31, 2006, income from synthetic fuel limited partnership investments rose 18.4% to \$5.7 million compared with \$4.8 million in the comparable year-ago period. Income from continuing

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operations before income taxes in the three months ended January 31, 2006 rose 5.8% to \$9.2 million from \$8.7 million in the quarter ended January 31, 2005.

Net sales and revenue in the three months ended January 31, 2006 rose 7.5% to \$130.6 million from \$121.4 million in the three months ended January 31, 2005. Comparable store sales during the period rose 7.9% compared with the same year-ago period. The Company reports sales performance quarterly and considers a store to be comparable after it has been open six full fiscal quarters. Comparable store sales figures do not include sales of extended service contracts.

During the three-month period ended January 31, 2006, REX Stores purchased approximately 391,700 shares of its common stock in open market transactions. The Company now has approximately 496,645 shares remaining available to purchase under its present stock buy-back authorization.

Net income in the twelve-month period ended January 31, 2006 rose to \$28.3 million, or \$2.31 per diluted share, compared to net income of \$27.5 million, or \$2.17 per diluted share, in the fiscal year ended January 31, 2005. Results for the fiscal year ended January 31, 2005 reflect a \$6.7 million income tax benefit primarily related to the reduction of valuation allowances for tax credits earned by the Company's investment in a synthetic fuel limited partnership, which resulted from the completion of an Internal Revenue Service examination. For fiscal 2005, the Company recorded income tax expense of \$7.4 million. Per share results are based on 12,220,000 and 12,714,000 diluted weighted average shares outstanding for the fiscal years ended January 31, 2006 and January 31, 2005, respectively.

In the twelve months ended January 31, 2006, REX Stores reported operating income of \$7.7 million, compared with operating income of \$6.2 million in the fiscal year ended January 31, 2005. For the twelve months ended January 31, 2006, income from synthetic fuel limited partnership investments rose to \$30.5 million from \$18.6 million in fiscal 2004. Income from continuing operations before income taxes in the twelve months ended January 31, 2006 rose to \$36.1 million from \$21.5 million in the twelve months ended January 31, 2005.

Net sales and revenue in fiscal 2005 rose 4.5% to \$396.0 million from \$379.0 million in fiscal 2004. Comparable store sales in fiscal 2005 rose 5.0% compared to fiscal 2004.

Commenting on the results, Stuart Rose, REX Stores' Chairman and Chief Executive Officer, stated, "We are pleased to report our second consecutive quarter of retail comp store sales gains, particularly in light of the very competitive and promotional environment that characterized this year's holiday selling season. Reflecting our retail earnings and another period of significant growth

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in income from synthetic fuel limited partnership investments, REX Stores achieved record annual diluted earnings per share in fiscal 2005."

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 212/676-4904; please call ten minutes in advance to ensure that you are connected prior to the presentation. Interested parties may also access the call live via the Investor Relations page of the Company's website, www.rextv.com, or at www.fulldisclosure.com; please allow 15 minutes to register, download and install any necessary software.

Following its completion, a telephonic replay of the call can be accessed through 1:00 p.m. EST on March 31, 2006 by dialing 800/633-8284 or 402/977-9140 (international callers). The access code for the audio replay is 21285929. Alternatively, a replay will be available on the Internet for 30 days at www.rextv.com or www.fulldisclosure.com.

REX Stores Corporation is a leading specialty retailer of consumer electronic products and appliances. As of January 31, 2006, the Company operated 218 retail stores in 37 states under the trade name "REX."

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 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, the potential for Section 29 tax credits to phase out based on the price of crude oil adjusted for inflation, and the uncertain amount of synthetic fuel production and tax credits received from time to time from the Company's synthetic fuel investments.

-tables follow-

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

	Three Months Ended January 31		Twelve Months Ended January 31		
	2006	2005	2006	2005	
NET SALES AND REVENUE		\$ 130,565	\$ 121,444	\$ 396,032	\$ 379,023
COSTS AND EXPENSES:					
Cost of sales	96,262	87,921	286,722	272,496	
Gross profit	34,303	33,523	109,310	106,527	
Selling, general and administrative expenses		30,336	29,028	101,609	100,283
Operating income	3,967	4,495	7,701	6,244	
INVESTMENT INCOME	153	27	308	178	
INTEREST EXPENSE	(605)	(710)	(2,625)	(3,147)	
LOSS ON EARLY TERMINATION OF DEBT		(22)	(65)	(22)	(679)
GAIN ON SALE OF REAL ESTATE		-	125	253	246
INCOME FROM LIMITED PARTNERSHIPS		5,702	4,817	30,515	18,615
Income from continuing operations before provision (benefit) for income taxes and discontinued operations		9,195	8,689	36,130	21,457
PROVISION (BENEFIT) FOR INCOME TAXES		2,470	(8,004)	7,398	(6,718)
Income from continuing operations	6,725	16,693	28,732	28,175	
Loss from discontinued operations, net of tax	(159)	(120)	(588)	(852)	
Gain on disposal of discontinued operations, net of tax	-	226	125	226	
Net Income	\$6,566	\$16,799	\$28,269	\$27,549	
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC	10,208	11,049	10,688	11,081	
Basic income per share from continuing operations		\$0.66	\$1.51	\$2.69	\$2.54
Basic loss per share from discontinued operations		(0.02)	(0.01)	(0.06)	(0.07)
Basic income per share on disposal of discontinued operations		-	0.02	0.01	0.02
BASIC NET INCOME PER SHARE		\$0.64	\$1.52	\$2.64	\$2.49
WEIGHTED AVERAGE SHARES OUTSTANDING - DILUTED	11,552	12,899	12,220	12,714	
Diluted income per share from continuing operations		\$0.58	\$1.29	\$2.35	\$2.22
Diluted loss per share from discontinued operations		(0.01)	(0.01)	(0.05)	(0.07)
Diluted income per share on disposal of discontinued operations		-	0.02	0.01	0.02
DILUTED NET INCOME PER SHARE		\$0.57	\$1.30	\$2.31	\$2.17

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REX STORES CORPORATION AND SUBSIDIARIES
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (in thousands)

January 31, January 31,
 2006 2005
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 Unaudited

ASSETS

CURRENT ASSETS:

Cash and cash equivalents	\$ 20,096	\$ 4,671
Accounts receivable, net	3,457	5,460
Synthetic fuel receivable	1,680	1,675
Merchandise inventory	97,371	124,188
Prepaid expenses and other	2,052	1,230
Future income tax benefits	9,361	10,929
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Total current assets	134,017	148,153

PROPERTY AND EQUIPMENT, NET		125,245	129,723
ASSETS HELD FOR SALE, NET		1,497	1,986
OTHER ASSETS	760	841	
FUTURE INCOME TAX BENEFITS		30,031	27,978
RESTRICTED INVESTMENTS		2,318	2,270
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Total assets	\$ 293,868	\$ 310,951	
	=====	=====	

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES:

Current portion of long-term debt	\$ 2,389	\$ 2,897
Current portion of deferred income and deferred gain on sale and leaseback	10,883	10,432
Accounts payable, trade	19,129	32,842
Accrued income taxes	541	1,567
Accrued payroll and related items	7,183	6,303
Other current liabilities	5,863	6,152
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Total current liabilities	45,988	60,193

LONG-TERM LIABILITIES:

Long-term mortgage debt	21,462	30,501
Deferred income	12,213	11,703
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Total long-term liabilities	33,675	42,204

SHAREHOLDERS' EQUITY:

Common stock	294	290
Paid-in capital	135,775	133,474
Retained earnings	240,898	212,629
Treasury stock	(162,762)	(137,839)
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Total shareholders' equity	214,205	208,554

Total liabilities and shareholders' equity	\$ 293,868	\$ 310,951
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