SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

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

FOR THE FISCAL YEAR ENDED JANUARY 31, 1997 COMMISSION FILE NO. 0-13283

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

Delaware	31-1095548
(State or other jurisdiction of incorporation or organization)	(I.R.S. 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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
Common Stock, $.01 par value	New York Stock Exchange

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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

At the close of business on April 15, 1997 the aggregate market value of the registrant's outstanding Common Stock held by non-affiliates of the registrant (for purposes of this calculation, 2,011,125 shares beneficially owned by directors and executive officers of the registrant were treated as being held by affiliates of the registrant), was $56,227,604.

There were 7,852,954 shares of the registrant's Common Stock outstanding as of April 15, 1997.

Documents Incorporated by Reference

Portions of REX Stores Corporation's definitive Proxy Statement for its Annual Meeting of Shareholders on June 6, 1997 are incorporated by reference into Part III.

PART I

Item 1. Business

General

REX Stores Corporation (the "Company") is a leader in the consumer electronics/appliance retailing industry, locating its stores in small to medium sized markets. Since 1980, when its first four stores were acquired, the Company has expanded into a national chain operating 222 stores in 35 states under the trade name "REX." The stores are located predominately in the Midwest and Southeast, with a recent expansion into the western region of the United States through the opening of 14 stores in the Northwest during fiscal 1996 and 1997. The Company's stores average approximately 10,500 square feet and offer a broad selection of brand name products within selected major product categories including televisions, video and audio equipment, appliances and personal computers.

The Company's business strategy emphasizes depth of selection within its key product categories. Brand name products are offered at everyday low prices combined with frequent special sales and promotions. The Company concentrates its stores in small and medium sized markets where it believes that by introducing a high volume, low price merchandising concept, it can become a dominant retailer. The Company supports its merchandising strategy with extensive newspaper advertising in each of its local markets and maintains a knowledgeable sales force which focuses on customer service. The Company believes its low price policy, attention to customer satisfaction and deep product selection provide customers with superior value.

The Company's business strategy has resulted in significant growth over the last five years. The number of stores increased from 98 to 222 during the five fiscal years ended January 31, 1997, while net sales increased from $233.1 million in fiscal 1993 to $427.4 million in fiscal 1997.

The Company's expansion strategy is to continue to open stores in small to medium sized markets. The Company will focus on markets with a newspaper circulation which can efficiently and cost-effectively utilize the Company's print advertising materials and where the Company believes it can become a dominant retailer.

The Company was incorporated in Delaware in 1984 under the name Audio/Video Affiliates, Inc. as a holding company to succeed to the entire ownership of three affiliated corporations, Rex Radio and Television, Inc. ("Rex Radio & TV"), Stereo Town, Inc. ("Stereo Town") and Kelly & Cohen Appliances, Inc. ("Kelly & Cohen"), which were formed in 1980, 1981, and 1983, respectively. Effective August 2, 1993, the Company's name was changed to REX Stores Corporation to enable the investing and consuming public to identify the Company more closely with its retail business. Unless the context otherwise requires, the term "Company" as used in this report refers to REX Stores Corporation and its three operating subsidiaries, and all references in this report to fiscal years are to the Company's fiscal year ended January 31 of each year. The Company's principal offices are located at 2875 Needmore Road, Dayton, Ohio 45414. Its telephone number is (937) 276-3931.

Business Strategy

The Company's objective is to be a dominant consumer electronics and home appliance retailer in each of its markets. The key elements of its business strategy include:

Focus on Small and Medium Sized Markets. The Company concentrates its stores in small and medium sized markets (generally with populations of 30,000 to 300,000) which enables it to operate on a low overhead basis and enhances its ability to become a dominant retailer in an area.

Depth of Product Selection. The Company sells brand name products and emphasizes depth of product selection within its key product categories. The Company offers merchandise at a range of price points in each product category and generally maintains sufficient product stock for immediate delivery to customers.

Everyday Low Prices. The Company offers its products at everyday low prices combined with frequent special sales and promotions. The Company monitors prices at competing stores and adjusts its prices as necessary to meet or beat the competition. The Company guarantees the lowest price on its products through a policy of refunding 125% (130% in certain markets) of the difference between the Company's price and a competitor's price on the same item.

Price/Product Focused Advertising. The Company's advertising stresses the offering of nationally recognized brands at significant savings and emphasizes its low price guarantee. The Company supports its marketing strategy principally with extensive newspaper advertising. The Company also utilizes in-store sales promotions to provide shopping excitement and generate traffic.

Strong Operational Controls. The Company's information systems allow management to monitor its merchandising programs, store operations and expenses. The Company's operational controls provide it with cost efficiencies which reduce overhead while allowing the Company to provide high levels of service.

Value Oriented Sales Format. The Company's knowledgeable sales force is trained to provide professional, courteous service to all customers. The Company believes its low price policy, attention to customer satisfaction and deep product selection provide customers with superior value.

Expansion Strategy

When deciding whether to enter a new market or open another store in an existing market, the Company evaluates a number of criteria, including: size and growth pattern of the population, sales volume potential, and competition within the market area, including size, strength and merchandising philosophy of former, existing and potential competitors. In choosing specific sites, the Company applies standardized site selection criteria taking into account numerous factors, including: local demographics, real estate occupancy expense based upon ownership and/or leasing, cost of advertising, traffic patterns and overall retail activity. Stores typically are located on high traffic arteries, adjacent to or in major shopping malls, with adequate and safe lighted parking to support high sales volume.

The Company will either lease or purchase new store sites depending upon opportunities available to it and relative costs. Of the 35 new stores opened in fiscal 1997, 15 were leased sites and 20 were Company purchased sites. For leased stores, the Company anticipates per store capital expenditures of approximately $75,000 to $200,000. This amount may increase significantly to the extent the Company is responsible for the remodeling or renovation of the new leased site. The Company anticipates expenditures of approximately $800,000 to $1,200,000 when it purchases real estate, which include the cost of the land purchased, building construction and fixtures. The purchase amount varies depending upon the size and location of the new store. Historically, the Company has obtained long-term mortgage financing of approximately 75% of the cost of opening owned stores. Mortgage financing is generally obtained after a store is opened, either on a site by site or multiple store basis. The extent to which the Company will seek mortgage financing for owned stores will be dependent upon mortgage rates, terms and availability. The inventory requirements for new stores are estimated at $350,000 to $500,000 per store depending upon the season and store size. A portion of this inventory is financed through trade credit.

Merchandising

Products

The Company offers a broad selection of brand name consumer electronics and home appliance products at a range of price points. The Company emphasizes depth of product selection within selected key product categories, with the greatest depth in televisions, VCRs, camcorders and audio equipment. The Company sells approximately 1,000 products produced by approximately 55 manufacturers. The Company's product categories include:

Televisions	Video	Audio	Appliances	Other
TVs	VCRs	Stereo Systems	Air Conditioners	Personal Computers
TV/VCR Combos	Camcorders	Receivers	Dehumidifiers	Radar Detectors
	Digital Satellite Systems	Compact Disc Players	Microwave Ovens	Tapes
		Turntables	Washers	Stands
		Tape Decks	Dryers	Telephones
		Speakers	Ranges	Binoculars
		Car Stereos	Dishwashers	Fax Machines
		Portable Radios	Refrigerators	Extended Service Contracts
			Freezers	
			Vacuum Cleaners	

The leading brands sold by the Company during fiscal 1997 (in alphabetical order) were General Electric, Hitachi, Hotpoint, JVC, Magnavox, Panasonic, Pioneer, RCA, Sharp, Toshiba, Whirlpool and Zenith.

All REX stores carry a full range of the Company's televisions, video and audio products, microwave ovens and air conditioners and a limited line of home office products, and 207 stores carry major appliances.

The following table shows the approximate percent of net sales for each major product group for the last three fiscal years.

Product Category	Fiscal Year 1995	1996	1997
Televisions	39%	37%	36%
Video	21	20	18
Audio	17	17	18
Appliances	16	17	18
Other	7	9	10
	100%	100%	100%

Pricing

The Company's policy is to offer its products at everyday low prices combined with frequent special sales and promotions. The Company's retail prices are established by its merchandising department, but each district manager is responsible for monitoring the prices offered by competitors and has authority to adjust prices to meet local market conditions. The Company's commitment to offer guaranteed lowest prices is supported by the Company's guarantee to refund 125-130% of the difference in price if, within 30 days of purchase, a customer can locate the same item offered by a local competitor at a lower price.

Advertising

The Company uses a "price and item" approach in its advertising, stressing the offering of nationally recognized brands at significant savings. The emphasis of the Company's advertising is its "Guaranteed Lowest Price," which states "Our prices are guaranteed in writing. If you find any other local store stocking and offering to sell for less the identical item in a factory sealed box within 30 days after your REX purchase, we'll refund the difference plus an additional 25% (30% in selected markets) of the difference." Advertisements are concentrated principally in newspapers and preprinted newspaper inserts, which are produced for the Company by an outside advertising agency and are supplemented by television. Advertisements are also complemented by in-store signage highlighting special values, including "Value Every Day," "Best Value," and "Top of the Line." The Company's advertising strategy includes preferred customer private mailers, special events such as "Midnight Madness Sales" and coupon sales to provide shopping excitement and generate traffic.

Purchasing

The Company's merchandise purchasing is performed predominantly by four members of senior management. Each individual has responsibility for a specific product category, and two share appliance buying responsibility. Because the Company purchases complete product lines in large volume, the Company believes it is able to obtain quality products at competitive prices and advertising subsidies from vendors to promote the sale of their products. For fiscal 1997, five vendors accounted for approximately 62% of the Company's purchases. The Company typically does not maintain long-term purchase contracts with vendors and operates principally on an order-by-order basis.

Store Operations

Stores

The Company designs its stores to be "destination stores," generating their own traffic, but in the general vicinity of major retail shopping. Currently, approximately 146 stores are located in free-standing buildings, with the balance situated in strip shopping centers and malls. In fiscal 1997, 14 of the Company's 15 new leased stores were in mall locations that provide exterior access and signage rights. The Company will select locations for future leased stores based on its evaluation of individual site economic and market conditions.

The Company's stores average approximately 10,500 square feet including storage space, not including the two stores located in the Company's regional distribution centers. Stores typically have, on average, approximately 7,300 square feet of selling space and approximately 3,200 square feet of storage. Stores are open seven days and six nights per week, except for certain holidays.

The following table shows the Company's store locations as of January 31, 1997:

Store Locations

Alabama: (11)
Auburn
Daphne
Decatur
Florence
Gadsden
Huntsville
Mobile (2)
Montgomery
Oxford
Tuscaloosa

Arkansas: (2)
Fort Smith
Springdale

Colorado: (3)
Grand Junction
Greeley
Pueblo

Florida: (27)
Bradenton
Charlotte Harbor
Crystal River
Ft. Pierce
Gainesville
Hudson
Lake City
Largo
Leesburg
Mary Esther
Melbourne
Merritt Island
Naples
Ocala
Palm Harbor
Panama City
Pensacola (2)
Sarasota
St. Augustine
St. Petersburg
Spring Hill
Stuart
Tallahassee (2)
Titusville
Venice

Georgia: (9)
Albany
Augusta
Brunswick
Columbus
LaGrange
Macon
Rome
Valdosta
Warner Robins

Idaho: (2)
Idaho Falls
Pocatello

Iowa: (12)
Burlington
Council Bluffs
Des Moines (2)
Dubuque
Ft. Dodge
Marshalltown
Mason City
Ottumwa
Sioux City
Waterloo
West Des Moines

Illinois: (13)
Alton
Bradley
Carbondale
Champaign
Danville
Decatur
Galesburg
Newburg
Pekin
Peoria
Peru
Quincy
Rockford

Indiana: (3)
Anderson
Muncie
Richmond

Kansas: (2)
Hutchinson
Lawrence

Kentucky: (3)
Ashland
Hopkinsville
Paducah

Louisiana: (6)
Alexandria
Baton Rouge
Houma
Lake Charles
New Iberia
Opelousas

Maryland: (2)
Cumberland
Hagerstown

Massachusetts: (2)
Hadley
Lanesborough

Michigan: (3)
Adrian
Bay City
Benton Harbor

Minnesota: (1)
Willmar

Missouri: (4)
Jefferson City
Joplin
Springfield
St. Joseph

Mississippi: (11)
Columbus
Gautier
Greenville
Gulfport
Hattiesburg
Jackson (2)
Meridian
Ridgeland
Tupelo
Vicksburg

Montana: (2)
Butte
Great Falls

Nebraska: (3)
Grand Island
Norfolk
North Platte

New York: (17)
Auburn
Clifton Park
Cortland
Fredonia
Geneva
Horseheads
Johnson City
Kingston
Lakewood
Latham
New Hartford
Olean
Plattsburg
Queensbury
Rome
Schenectady
Watertown

North Carolina: (5)
Asheville
Goldsboro
Hendersonville
Rocky Mount
Salisbury

Store Locations (continued)

North Dakota: (2)
Grand Forks
Minot

Ohio: (15)
Ashtabula
Beavercreek
Dayton (2)
Defiance
Kettering
Lima
Marion
Miamisburg
New Philadelphia
Piqua
Sandusky
St. Clairsville
Springfield
Wooster

Oklahoma: (1)
Enid

Pennsylvania: (18)
Altoona
Bloomsburg
Chambersburg
Cranberry
Erie (2)
Greensburg
Hanover
Hazleton
Hermitage
Indiana
Johnstown
Lower Burrell
Meadville
New Castle
Scranton
Wilkes-Barre
York

South Carolina: (9)
Aiken
Anderson
Charleston
Florence
Greenwood
Murrell's Inlet
Orangeburg
Rock Hill
Sumter

South Dakota: (2)
Aberdeen
Rapid City

Tennessee: (7)
Bristol
Chattanooga
Clarksville
Cleveland
Johnson City
Kingsport
Morristown

Texas: (12)
Austin (2)
Brownsville
Denton
Harlingen
Longview
Midland
Odessa
San Angelo
Sherman
Temple
Victoria

Virginia: (1)
Danville

Washington: (1)
Union Gap

West Virginia: (5)
Beckley
Bluefield
Bridgeport
Morgantown
Vienna

Wisconsin: (4)
Fond du Lac
Janesville
Manitowac
Oshkosh

Wyoming: (2)
Casper
Cheyenne

In fiscal 1997, the Company opened 35 new stores, entering Maryland, Massachusetts, Montana, North Dakota and South Dakota with two stores each and Minnesota with one store. The Company also added six stores in New York, five stores in Pennsylvania, three stores in Iowa, two stores each in Florida and Georgia, and one store each in Alabama, Colorado, Michigan, Mississippi, South Carolina and Texas.

The Company's operations are divided into regional districts, containing from three to 12 stores whose managers report to a district manager. The Company's 37 district managers report to one of four regional vice presidents. Each store is staffed with a full-time manager and assistant manager, commissioned sales personnel and, in higher-traffic stores, seasonal support personnel. Store managers are paid on a commission basis and have the opportunity to earn bonuses based upon their store's sales and gross margins. Sales personnel work on a commission basis, or a combination of commissions and hourly wages.

The Company evaluates the performance of its stores on a continuous basis and, based on an assessment of factors it deems relevant, will close any store which is not adequately contributing to Company profitability. The Company closed 12 stores during fiscal 1997. There were no store closings during fiscal 1996 and 1995.

Personnel

The Company trains its employees to explain and demonstrate to customers the use and operation of the Company's merchandise and to develop good salesmanship practices. The Company's in-house training program for new employees combines on-the-job training with use of a detailed Company-developed manual entitled "The REX Way." Sales personnel attend in-house training sessions conducted by experienced salespeople or manufacturers' representatives and receive sales, product and other information in meetings with managers.

The Company also has a manager-in-training program that consists of on-the-job training of the assistant manager at the store. The Company's policy is to staff store management positions with personnel promoted from within the Company and to staff new stores with existing managers or assistant managers. The Company believes it has an adequate number of available managers and assistant managers to meet its planned expansion.

Services

Virtually all of the products sold by the Company carry manufacturers' warranties and, except for its least expensive items, the Company offers extended service contracts to customers usually for an additional charge which typically provide one to five years of extended warranty coverage. The Company offers maintenance and repair services for most of the products which it sells. These services are generally subcontracted to independent repair firms.

The Company's return policy provides that any merchandise may be returned for exchange or refund within seven days of purchase if accompanied by original packaging material.

The Company accepts MasterCard, Visa and Discover. The Company estimates that, during fiscal 1997, approximately 30% of its total sales were made on these credit cards, and approximately 15% were made on installment credit contracts arranged through banks or independent finance companies which bear the credit risk of these contracts.

Distribution

The Company's stores are supplied by regional distribution centers which consist of a 315,000 square foot leased facility in Dayton, Ohio and a 180,000 square foot owned facility in Pensacola, Florida, of which the Company leases 90,000 square feet to an outside company. The Company also leases a 67,000 square foot auxiliary warehouse in Pensacola, Florida. The Company has purchased land and plans to build a 150,000 square foot distribution center in Cheyenne, Wyoming in fiscal 1998 at an approximate cost of $3.0 million.

The regional distribution centers reduce inventory requirements at individual stores, while preserving the benefits of volume purchasing and facilitating centralized inventory and accounting controls. Virtually all of the Company's merchandise is distributed through its distribution centers, with the exception of major appliances which are often shipped directly by the vendor to the retail location. All deliveries to stores are made by independent contract carriers.

Management Information Systems

The Company has developed a computerized management information system which operates an internally developed software package. The Company's computer system provides management with the information necessary to manage inventory by stock keeping unit ("SKU"), monitor sales and store activity on a daily basis, capture marketing and customer information, track productivity by salesperson and control the Company's accounting operations.

The host computer is integrated with the Company's point-of-sale system which serves as the collection mechanism for all sales activity. The combined system provides for next-day review of inventory levels, sales by store and by SKU and commissions earned, assists in cash management and enables management to track merchandise from receipt at the distribution center until time of sale.

Competition

The Company's business is characterized by substantial competition. The Company's competitors include other specialty electronics retailers, department stores, discount stores, furniture stores, warehouse clubs and catalog showrooms. Some of these competitors have greater financial and other resources than the Company. Competition within the Company's industry is based upon price, breadth of product selection, product quality and customer service.

Facilities

One hundred and three of the Company's stores are located in buildings owned by the Company, including two strip shopping centers in Austin, Texas of 60,000 and 40,000 square feet. The Company uses approximately 10,000 square feet in each shopping center for a store and leases the remainder. The Company also owns a 38,000 square foot shopping center in College Station, Texas in which it does not operate a retail store. The strip shopping centers are professionally managed by local real estate management firms.

The remaining 119 stores operate on leased premises, with the unexpired terms of the leases ranging from one year to 28 years, inclusive of options to renew, except for two month to month leases. For fiscal 1997, the total net rent expense for the Company's leased facilities was approximately $6,944,000.

To date, the Company has not experienced difficulty in securing leases or purchasing sites for suitable locations for its stores. The Company continues to remodel and upgrade existing stores as appropriate. In addition, to minimize construction costs, the Company has developed prototype formats for new store construction.

Employees

At January 31, 1997, the Company had 140 hourly and salaried employees and 949 sales employees. The Company also employs additional personnel during peak selling seasons. None of the Company's employees are represented by a labor union. The Company considers its relationship with its employees to be satisfactory.

Service Marks

The Company has registered its rights in its service mark "REX" with the United States Patent and Trademark Office. The Company is not aware of any adverse claims concerning its service mark.

Item 2. Properties

The information required by this Item 2 is set forth in Item 1 of this report under "Store Operations--Stores," "Store Operations--Distribution" and "Facilities" and is incorporated herein by reference.

Item 3. Legal Proceedings

The Company is involved in various legal proceedings incidental to the conduct of its business. The Company believes that these proceedings will not have a material adverse effect on the financial condition or operations of the Company.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Executive Officers of the Company

Set forth below is certain information about each of the Company's executive officers.

Name	Age	Position(s)
Stuart Rose.	42	Chairman of the Board and Chief Executive Officer*
Lawrence Tomchin . . .	69	President and Chief Operating Officer*
Douglas Bruggeman . .	36	Vice President-Finance and Treasurer
Edward Kress	47	Secretary*

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*Also serves as a director of the Company.

Stuart Rose has been the Chairman of the Board and Chief Executive Officer of the Company since its incorporation in 1984 as a holding company to succeed to the ownership of Rex Radio & TV, Kelly & Cohen and Stereo Town. Prior to 1984, Mr. Rose was Chairman of the Board and Chief Executive Officer of Rex Radio & TV, which he founded in 1980 to acquire the stock of a corporation which operated four retail stores.

Lawrence Tomchin has been the President and Chief Operating Officer of the Company since 1990. From 1984 to 1990, he was the Executive Vice President and Chief Operating Officer of the Company. Mr. Tomchin has been a director of the Company since 1984. Mr. Tomchin was Vice President and General Manager of the corporation which was acquired by Rex Radio & TV in 1980 and served as Executive Vice President of Rex Radio & TV after the acquisition.

Douglas Bruggeman has been Vice President - Finance and Treasurer of the Company since 1989. From 1987 to 1989, Mr. Bruggeman was the Manager of Corporate Accounting for the Company. Mr. Bruggeman was employed with the accounting firm of Ernst & Young prior to joining the Company in 1986.

Edward Kress has been the Secretary of the Company since 1984 and a director of the Company since 1985. Mr. Kress has been a partner of the law firm of Chernesky, Heyman & Kress, counsel for the Company, since 1988. From 1985 to 1988, Mr. Kress was a member of the law firm of Smith & Schnacke. Mr. Kress has practiced law in Dayton, Ohio since 1974.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

SHAREHOLDER INFORMATION

Common Share Information and Quarterly Share Prices

The Company's Common Stock is traded on the New York Stock Exchange under the symbol RSC.

Fiscal Quarter Ended	High	Low
April 30, 1995	$16.50	$12.25
July 31, 1995	16.50	13.25
October 31, 1995	18.75	15.50
January 31, 1996	17.75	12.87
April 30, 1996	$15.88	$15.50
July 31, 1996	12.88	12.50
October 31, 1996	9.75	9.50
January 31, 1997	8.88	8.13

As of April 15, 1997, there were 333 holders of record of the Company's Common Stock, including shares held in nominee or street name by brokers.

Dividend Policy

The Company's revolving credit agreement places restrictions on the payment of dividends. The Company has not paid dividends in prior years.

Item 6. Selected Financial Data

Five Year Financial Summary

(In Thousands, Except Per Share Amounts)	January 31, 1997	1996	1995	1994	1993
Net sales	$427,378	$442,217	$382,775	$298,171	$233,080
Net income	$ 7,362	$ 14,573	$ 12,596	$ 8,632	$ 4,788
Net income per common share	$ 0.80	$ 1.56	$ 1.40	$ 1.10	$ 0.72
Total assets	$248,034	$234,599	$192,616	$132,319	$ 88,599
Long-term debt, of current maturities	$ 51,102	$ 32,590	$ 25,595	$ 10,879	$ 2,902

Quarterly Financial Data (Unaudited)

	Quarters Ended (In Thousands Except Per Share Amounts)			
	April 30, 1996	July 31, 1996	October 31, 1996	January 31, 1997
Net sales	$97,383	$95,653	$90,543	$143,799
Cost of merchandise sold	72,503	70,931	67,990	106,343
Net income	1,756	1,475	252	3,879
Earnings per common share	$ 0.18	$ 0.15	$ 0.03	$ 0.44

	Quarters Ended (In Thousands Except Per Share Amounts)			
	April 30, 1995	July 31, 1995	October 31, 1995	January 31, 1996
Net sales	$87,427	$96,458	$94,914	$163,418
Cost of merchandise sold	65,602	71,484	70,546	120,004
Net income	1,574	2,513	1,942	8,544
Earnings per common share	$ 0.17	$ 0.27	$ 0.21	$ 0.91

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

The Company is a leader in the consumer electronics/appliance retailing industry, operating predominantly in small to medium sized markets in the Midwest and Southeast under the trade name "REX." Since acquiring its first four stores in 1980, the Company has expanded into a national chain operating 222 stores in 35 states. During fiscal 1996 and 1997, the Company expanded into the western region of the United States by opening fourteen stores in seven northwestern states.

The Company has focused on maintaining strict cost controls, offering customers a broad selection of merchandise at "everyday low prices" and expansion within small and medium sized markets where its low cost structure and operating strategy enhance its ability to become a dominant retailer.

During fiscal 1997, 1996 and 1995, the Company opened 35, 34 and 33 stores, respectively. The Company closed twelve stores in fiscal 1997 and no stores were closed in fiscal 1996 and 1995. Comparable store sales declined 17.5% and 5.4% in fiscal 1997 and 1996, respectively, and grew 5.5% in fiscal 1995. The decrease in comparable store sales reflects an industry wide decline in consumer demand for electronics and an intensely competitive retail environment. The Company considers a store to be comparable after it has been open six full fiscal quarters. Comparable store sales comparisons do not include sales of extended service contracts.

Extended Service Contracts

The Company's extended service contract revenues, net of sales commissions, are deferred and amortized on a straight-line basis over the life of the contracts after the expiration of applicable manufacturers' warranty periods. Terms of coverage, including the manufacturers' warranty periods, are usually for periods of 12 to 60 months. Extended service contract revenues represented 2.9%, 2.4% and 2.6% of net sales for fiscal 1997, 1996 and 1995, respectively. Service contract costs are charged to operations as incurred. Gross profit realized from extended service contract revenues was $9.6 million, $8.3 million and $7.8 million in fiscal 1997, 1996 and 1995, respectively.

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:

	Fiscal Year Ended January 31, 1997	1996	1995
Net sales	100.0%	100.0%	100.0%
Cost of merchandise sold	74.4	74.1	74.7
Gross profit	25.6	25.9	25.3
Selling, general and administrative expenses	21.5	19.4	19.4
Income from operations	4.1	6.5	5.9
Interest, net	1.3	1.1	.5
Income before income taxes	2.8	5.4	5.4
Provision for income taxes	1.1	2.1	2.1
Net income	1.7%	3.3%	3.3%

Comparison of Fiscal Years Ended January 31, 1997 and 1996

Net sales in fiscal 1997 were $427.4 million, a 3.4% decrease from the $442.2 million achieved in fiscal 1996. This decrease was caused by a decline of 17.5% in comparable store sales, partially offset by the net addition of 23 stores in fiscal 1997 and the first full year of sales for 34 stores opened in fiscal 1996. During fiscal 1997 the Company opened 35 stores and closed 12, while during fiscal 1996 the Company opened 34 stores and closed none. The number of stores open at January 31, 1997 was 222 compared to 199 at January 31, 1996.

Gross profit of $109.6 million in fiscal 1997 (25.6% of net sales) was 4.3% lower than the $114.6 million (25.9% of net sales) recorded the prior year. The lower gross profit margin is primarily due to competitive pressures and an increase in major appliance and computer sales, which generally have a lower gross profit margin. This was partially offset by an increase in extended service contract revenues, which generally have a higher gross profit margin.

Selling, general and administrative expenses for fiscal 1997 were $91.9 million (21.5% of net sales), a 5.7% increase over the $86.0 million (19.4% of net sales) in fiscal 1996. The increase in expense was primarily attributable to $3.5 million in increased advertising costs, $1.5 million in increased occupancy and depreciation costs and $1.7 million in increased operating costs associated with more store locations in the current year. Payroll costs decreased by $800,000 due to a reduction in direct selling costs resulting from the decline in sales. The increase in selling, general and administrative expenses as a percentage of net sales is primarily the result of the decline in comparable store sales.

Income from operations was $17.7 million (4.1% of net sales) in fiscal 1997, a 38.1% decrease from $28.6 million (6.5% of net sales) for fiscal 1996. This decline was primarily due to the 17.5% decline in comparable store sales and the increased selling, general and administrative expenses associated with more store locations.

Interest expense increased to $5.6 million in fiscal 1997 from $4.7 million in fiscal 1996. The increase in interest expense is primarily attributable to additional mortgage debt associated with more Company owned store locations (average outstanding borrowings of approximately $40.8 million in fiscal 1997 compared to $31.5 million in fiscal 1996) and an increase of approximately $3.4 million in the average outstanding borrowings on the revolving line of credit.

The effective tax rate was 39.5% for fiscal 1997 and 1996.

As a result of the foregoing, net income for fiscal 1997 was $7.4 million, a 49.5% decrease from $14.6 million in fiscal 1996.

Comparison of Fiscal Years Ended January 31, 1996 and 1995

Net sales in fiscal 1996 were $442.2 million, a 15.5% increase over the $382.8 million achieved in fiscal 1995. The increase was due to the addition of 34 stores during the year and the first full year of sales for 33 stores opened during fiscal 1995, partially offset by a decline of 5.4% in comparable store sales during the year. No stores were closed in fiscal 1996 and 1995. The number of stores open at January 31, 1996 was 199 compared to 165 at January 31, 1995.

Gross profit of $114.6 million in fiscal 1996 (25.9% of net sales) was 18.5% higher than the $96.7 million of gross profit (25.3% of net sales) recorded the prior year. The improved gross profit margin in fiscal 1996 was primarily the result of lower merchandise cost on certain products due to opportunistic purchasing. This was partially offset by an increase in major appliance and computer sales which generally have a lower gross profit margin. Extended service contract revenues, which generally have a higher gross profit margin, also declined as a percent of net sales.

Selling, general and administrative expenses for fiscal 1996 were $86.0 million (19.4% of net sales), a 15.9% increase over the $74.2 million (19.4% of net sales) in fiscal 1995. The increase in expense was primarily attributable to $5.1 million of higher payroll costs related to the increased number of stores and increased sales, $3.7 million of increased advertising costs and $2.9 million of higher depreciation, occupancy and other operating costs associated with more store locations. As a percentage of net sales, selling, general and administrative expenses were consistent between years.

Income from operations was $28.6 million (6.5% of net sales) in fiscal 1996, a 27.2% increase over $22.5 million (5.9% of net sales) for fiscal 1995. This improvement was primarily a result of increased sales volume and an improved gross profit margin resulting from opportunistic purchasing.

Interest expense increased to $4.7 million in fiscal 1996 from $1.9 million in fiscal 1995. The increase in interest expense was primarily attributable to additional mortgage debt associated with more Company owned store locations (average outstanding borrowings of approximately $31.5 million in fiscal 1996 compared to $14.3 million in fiscal 1995) and an increase of approximately $10.3 million in the average outstanding borrowings on the revolving line of credit to support higher inventory levels associated with store expansion and opportunistic purchasing.

The effective tax rate was 39.5% for fiscal 1996 and 1995.

As a result of the foregoing, net income for fiscal 1996 was $14.6 million, a 15.7% increase over $12.6 million for fiscal 1995.

Liquidity and Capital Resources

The Company's primary sources of financing have been cash flow provided by net income, mortgages on owned property, borrowings under its revolving line of credit and in fiscal 1995, the proceeds from a public offering of Common Stock.

Net cash provided by operating activities was $10.9 million for fiscal 1997. Operating cash flow was primarily provided by net income of $7.4 million and $3.2 million of deferred income from sales of extended service contracts. Cash was also provided by a decrease in inventory of $11.5 million, offset by a decrease in accounts payable of $8.3 million and a decrease in other liabilities of $3.7 million.

At January 31, 1997, working capital was $80.2 million compared to $80.0 million at January 31, 1996. The ratio of current assets to current liabilities was 2.1 to 1 at January 31, 1997 and 1996.

Capital expenditures in fiscal 1997 totaled $23.4 million and were primarily associated with the opening of 35 stores.

During fiscal 1997, the Company purchased 854,000 shares of its common stock for $7.5 million. Subsequent to the end of fiscal 1997 and through March 26, 1997, the Company purchased 375,000 shares of its common stock for $3.1 million. The Company is authorized by its Board of Directors to purchase an additional 788,700 shares of its common stock and all shares purchased will be held in treasury for possible future use.

The Company has a revolving credit agreement with seven banks through July 31, 2000, with interest at prime or LIBOR plus 1.875%. Amounts available for borrowing are equal to the lesser of (i) $100 million for the months of January through June and $150 million for the months of July through December or (ii) the sum of specified percentages of eligible accounts receivable and eligible inventories, as defined. Amounts available for borrowing are reduced by any letter of credit commitments outstanding.

At January 31, 1997, borrowings of $12.1 million were outstanding at an average interest rate of 7.38%. A total of approximately $73.0 million was available at January 31, 1997. Borrowing levels vary during the course of a year based on the Company's seasonal working capital needs. The maximum direct borrowings outstanding during fiscal 1997 were approximately $42.9 million, which existed immediately prior to the Christmas selling season due to the build-up of seasonal inventory requirements. The weighted average interest rate was 8.96% for fiscal 1997. The revolving credit agreement contains restrictive covenants which require the Company to maintain specified levels of consolidated tangible net worth and limit capital expenditures and the incurrence of additional indebtedness. The revolving credit agreement also places restrictions on common stock repurchases and the payment of dividends.

At January 31, 1997, the Company had approximately $54.2 million of mortgage debt outstanding (including $21.9 million obtained in fiscal 1997 from mortgaging 34 stores) at a weighted average interest rate of 8.96%, with maturities from 2000 to 2012.

Seasonality and Quarterly Fluctuations

The Company's business is seasonal. As is the case with many other retailers, the Company's net sales and net income are greatest in its fourth fiscal quarter, which includes the Christmas selling season. The fourth fiscal quarter accounted for 33.6% and 36.9% of net sales and 52.7% and 58.6% of net income in fiscal 1997 and 1996, respectively. Year to year comparisons of quarterly results of operations and comparable store sales can be affected by a variety of factors, including the duration of the holiday selling season, weather conditions and the timing of new store openings.

The following table provides certain unaudited financial information for the Company for each of the quarters in fiscal 1997 and 1996.

	Fiscal Quarter Ended							
	April 30,		July 31,		October 31,		January 31,	
	$000s	% of Annual	$000s	% of Annual	$000s	% of Annual	$000s	% of Annual
Fiscal 1997								
Net sales	$97,383	22.8%	$95,653	22.4%	$90,543	21.2%	$143,799	33.6%
Income from operations	4,082	23.0	3,883	21.9	1,760	10.0	7,981	45.1
Net income	1,756	23.9	1,475	20.0	252	3.4	3,879	52.7
Fiscal 1996								
Net sales	$87,427	19.8%	$96,458	21.8%	$94,914	21.5%	$163,418	36.9%
Income from operations	3,183	11.1	5,145	18.0	4,652	16.3	15,620	54.6
Net income	1,574	10.8	2,513	17.3	1,942	13.3	8,544	58.6

Recently Issued Accounting Standards

In the first quarter of fiscal 1997, the Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," which addresses the identification and measurement of asset impairments and requires recognition of impairment losses on long-lived assets when book values exceed expected future cash flows. The application of this standard did not have a material impact on the Company's financial position or results of operations.

The Company adopted the provisions of SFAS No. 123 "Accounting for Stock-Based Compensation" in fiscal 1997, which established new accounting and disclosure requirements for stock-based employee compensation plans. The Company adopted this standard by continuing to follow the accounting prescribed by APB Opinion No. 25 "Accounting for Stock Issued to Employees" and presenting the required pro forma disclosures. Therefore, the application of this standard did not have a material impact on the Company's financial position or results of operations.

Item 8. Financial Statements and Supplementary Data

REX STORES CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
JANUARY 31, 1997 AND 1996

ASSETS	1997	1996
	(In Thousands)	
CURRENT ASSETS:		
Cash and cash equivalents	$ 3,959	$ 685
Short-term investments	1,645	1,525
Accounts receivable, net of allowance for doubtful accounts of $376 and $638 in 1997 and 1996, respectively (Note 4)	1,477	1,604
Merchandise inventory (Note 4)	135,033	146,566
Prepaid expenses and other	2,219	1,825
Future income tax benefits	5,544	3,818
	--------	--------
Total current assets	149,877	156,023
PROPERTY AND EQUIPMENT, NET (Notes 1, 4 and 5)	89,638	70,307
FUTURE INCOME TAX BENEFITS	8,519	8,269
	--------	--------
Total assets	$248,034	$234,599
	========	========
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Note payable (Note 4)	$ 12,142	$ 9,327
Current portion of long-term debt (Note 5)	3,131	2,050
Current portion of deferred income and deferred gain on sale and leaseback (Notes 2 and 7)	10,844	9,083
Accounts payable, trade	31,265	39,525
Accrued income taxes	1,077	4,121
Accrued payroll	4,866	5,614
Other current liabilities	6,401	6,287
	--------	--------
Total current liabilities	69,726	76,007
LONG-TERM LIABILITIES:		
Long-term debt (Note 5)	51,102	32,590
Deferred income (Note 2)	18,279	16,506
Deferred gain on sale and leaseback (Note 7)	6,207	7,150
	--------	--------
Total long-term liabilities	75,588	56,246
COMMITMENTS AND CONTINGENCIES (Notes 7 and 9)		
SHAREHOLDERS' EQUITY (Notes 3, 4 and 6):		
Common stock, 45,000 shares authorized, 9,602 and 9,521 shares issued, at par	96	95
Paid-in capital	57,229	56,732
Retained earnings	56,763	49,401
Treasury stock, 1,388 and 534 shares	(11,368)	(3,882)
	--------	--------
Total shareholders' equity	102,720	102,346
	--------	--------
Total liabilities and shareholders' equity	$248,034	$234,599
	========	========

[FN] The accompanying notes to consolidated financial statements are an integral part of these consolidated balance sheets.

REX STORES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
FOR THE YEARS ENDED JANUARY 31, 1997, 1996 AND 1995

	1997	1996	1995
	(In Thousands, Except Per Share Amounts)		
NET SALES	$427,378	$442,217	$382,775
COSTS AND EXPENSES:			
Cost of merchandise sold	317,767	327,636	286,073
Selling, general and administrative expenses	91,905	85,981	74,216
Total costs and expenses	409,672	413,617	360,289
INCOME FROM OPERATIONS	17,706	28,600	22,486
INVESTMENT INCOME	85	182	229
INTEREST EXPENSE	5,624	4,707	1,899
INCOME BEFORE PROVISION FOR INCOME TAXES	12,167	24,075	20,816
PROVISION FOR INCOME TAXES	4,805	9,502	8,220
NET INCOME	$ 7,362	$ 14,573	$ 12,596
WEIGHTED AVERAGE NUMBER OF COMMON AND COMMON EQUIVALENT SHARES OUTSTANDING	9,219	9,365	9,014
NET INCOME PER SHARE	$ 0.80	$ 1.56	$ 1.40

[FN]
The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

REX STORES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JANUARY 31, 1997, 1996 AND 1995

	1997	1996	1995
		(In Thousands)	
CASH FLOWS FROM OPERATING ACTIVITIES:			
Net income	$ 7,362	$ 14,573	$ 12,596
Adjustments to reconcile net income to net cash provided by (used in) operating activities-			
Depreciation and amortization, net	2,943	2,357	1,559
Deferred income	3,221	4,415	3,770
Future income tax benefits	(2,054)	(1,608)	(1,207)
Accounts receivable	127	(527)	(403)
Merchandise inventory	11,533	(31,219)	(40,385)
Other current assets	(323)	(361)	(281)
Accounts payable, trade	(8,260)	6,230	5,271
Other current liabilities	(3,678)	2,098	3,123
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	10,871	(4,042)	(15,957)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Short-term investments	(120)	30	(925)
Capital expenditures	(23,448)	(23,080)	(28,101)
Capital disposals	552	43	120
NET CASH USED IN INVESTING ACTIVITIES	(23,016)	(23,007)	(28,906)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase in note payable	2,815	9,327	-
Proceeds from long-term debt	21,911	9,201	16,885
Payments of long-term debt	(2,318)	(1,836)	(981)
Common stock issued	497	643	20,907
Treasury stock issued (acquired)	(7,486)	(2,264)	297
NET CASH PROVIDED BY FINANCING ACTIVITIES	15,419	15,071	37,108
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	3,274	(11,978)	(7,755)
CASH AND CASH EQUIVALENTS, beginning of year	685	12,663	20,418
CASH AND CASH EQUIVALENTS, end of year	$ 3,959	$ 685	$ 12,663

[FN] The accompanying notes to consolidated financial statements are an integral part of these consolidated statements.

REX STORES CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE YEARS ENDED JANUARY 31, 1997, 1996 AND 1995

	Common Stock Issued		Common Stock Treasury			
	Shares	Amount	Shares	Amount	Paid-In Capital	Retained Earnings
			(In Thousands)			
BALANCE, January 31, 1994	8,027	$80	460	$ 1,915	$35,197	$22,232
Net income	-	-	-	-	-	12,596
Common stock issued	1,393	14	(88)	(297)	20,893	-
BALANCE, January 31, 1995	9,420	94	372	1,618	56,090	34,828
Net income	-	-	-	-	-	14,573
Treasury stock acquired	-	-	162	2,264	-	-
Common stock issued	101	1	-	-	642	-
BALANCE, January 31, 1996	9,521	95	534	3,882	56,732	49,401
Net income	-	-	-	-	-	7,362
Treasury stock acquired	-	-	854	7,486	-	-
Common stock issued	81	1	-	-	497	-
BALANCE, January 31, 1997	9,602	$96	1,388	$11,368	$57,229	$56,763

[FN]

The accompanying notes to consolidated financial statements are an integral part of these consolidated statements

REX STORES CORPORATION AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JANUARY 31, 1997 AND 1996

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-

(a) Principles of Consolidation--The accompanying financial statements consolidate the operating results and financial position of REX Stores Corporation and its wholly-owned subsidiaries (the Company). All significant intercompany balances and transactions have been eliminated. The Company operates 222 retail consumer electronics and appliance stores under the REX name in 35 states, predominantly in the Midwest and Southeast.

(b) Net Income Per Share--Net income per share is computed using the weighted average number of common and common equivalent shares outstanding during the period. Fully-diluted earnings per share do not differ significantly from primary earnings per share.

(c) Cash Equivalents and Short-term Investments--Cash equivalents are principally short-term investments with original maturities of less than three months. Short-term investments, which are principally marketable securities, are stated at cost plus accrued interest, which approximates market. The carrying amount of cash equivalents and short-term investments is a reasonable estimate of fair value.

Investments at January 31, 1997 and 1996 are restricted by two states to cover possible future claims under product service contracts.

(d) Merchandise Inventory--Substantially all inventory is valued at the lower of average cost or market, which approximates cost on a first-in, first-out (FIFO) basis, including certain costs associated with purchasing, warehousing and transporting merchandise. The inventory of an acquired subsidiary, Kelly & Cohen Appliances, Inc. (K&C), is valued at the lower of last-in, first-out (LIFO) or market. The K&C inventory value using the FIFO method ($38,437,000 and $41,880,000 at January 31, 1997 and 1996, respectively) approximates the LIFO value in all years presented. Five suppliers accounted for approximately 62% of the Company's purchases in 1997.

(e) Property and Equipment--Property and equipment is recorded at cost. Depreciation is computed using the straight-line method. Estimated useful lives are 30 to 40 years for buildings and improvements, and 3 to 12 years for fixtures and equipment. Leasehold improvements are depreciated over 10-12 years. The components of cost at January 31, 1997 and 1996 are as follows:

	1997	1996
	(In thousands)	
Land	$ 23,530	$18,452
Buildings and improvements	53,890	40,492
Fixtures and equipment	14,386	12,294
Leasehold improvements	9,409	7,740
	101,215	78,978
Less: accumulated depreciation	(11,577)	(8,671)
	$ 89,638	$70,307

In the first quarter of fiscal 1997, the Company adopted the provisions of Statement of Financial Accounting Standards (SFAS) No. 121 "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," which addresses the identification and measurement of asset impairments and requires recognition of impairment losses on long-lived assets when book values exceed expected future cash flows. The application of this standard did not have a material impact on the Company's financial position or results of operations.

(f) Interest Cost--Interest expense of $5,624,000, $4,707,000 and $1,899,000 for the years ended January 31, 1997, 1996 and 1995, respectively, is net of approximately $193,000, $207,000 and $182,000 of interest capitalized related to store construction. Total interest expense approximates interest paid for all years presented.

(g) Loan Acquisition Costs--Direct expenses and fees associated with obtaining notes payable or long-term debt are capitalized and amortized to interest expense over the life of the loan.

(h) Advertising Costs--Advertising costs are expensed as incurred. Advertising expense was approximately $33,473,000, $29,989,000 and $26,241,000 in 1997, 1996 and 1995, respectively.

(i) Store Opening and Closing Costs--Store opening costs are expensed as incurred. The costs associated with closing stores are accrued when the decision is made to close a location.

(j) Use of Estimates--The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(k) Reclassifications--Certain reclassifications have been made to prior year financial statements to conform with the classifications used in the 1997 financial statements.

(2) DEFERRED INCOME ON SERVICE CONTRACTS-

The Company sells product service contracts covering periods beyond the normal manufacturers' warranty periods, usually with terms of coverage (including manufacturers' warranty periods) of between 12 to 60 months. Revenues net of sales commissions are deferred and amortized on a straight-line basis over the life of the contracts after the expiration of applicable manufacturers' warranty periods. Service contract costs are charged to operations as incurred.

(3) COMMON STOCK TRANSACTIONS-

During the years ended January 31, 1997 and 1996, the Company purchased 854,000 and 162,000 shares of its common stock for $7.5 million and $2.3 million, respectively. Subsequent to January 31, 1997 and through March 26, 1997, the Company purchased 375,000 shares of its common stock for $3.1 million. The Company is authorized by its Board of Directors to purchase an additional 788,700 shares of its common stock and all shares purchased will be held in treasury for possible future use.

On June 2, 1994, the Company completed the sale of 1.3 million shares of common stock under a Form S-3 registration statement and received net proceeds of $19.8 million. On July 1, 1994, the Company sold an additional 13,333 shares pursuant to the over allotment option and received net proceeds of approximately $203,000.

(4) REVOLVING LINE OF CREDIT-

The Company has a revolving credit agreement with seven banks which expires July 31, 2000. Under the terms of the agreement, available revolving credit borrowings are equal to the lesser of: (i) $100 million for the months of January through June and $150 million for the months of July through December or (ii) the sum of specific percentages of eligible accounts receivable and eligible inventories, as defined. Borrowings available are reduced by any letter of credit commitments outstanding. Outstanding borrowings under the revolving credit agreement totaled $12,142,000 and $9,327,000 at January 31, 1997 and 1996, respectively. The carrying amount of the borrowings at January 31, 1997 and 1996 approximates fair value as the revolving credit agreement bears a current market rate of interest. At January 31, 1997, a total of approximately $73.0 million was available for borrowings under the revolving credit agreement.

The interest rate charged on borrowings is prime or LIBOR plus 1.875% and commitment fees of 1/4% are payable on the unused portion. The weighted average interest rate on borrowings outstanding at January 31, 1997 was 7.38%. Borrowings are secured by certain fixed assets, accounts receivable and inventories.

The revolving credit agreement contains restrictive covenants which require the Company to maintain specified levels of consolidated tangible net worth and limit capital expenditures and the incurrence of additional indebtedness. The revolving credit agreement also places restrictions on the amount of common stock repurchases and the payment of dividends.

(5) LONG-TERM DEBT-

Long-term debt consists of notes payable secured by certain land, buildings and leasehold improvements. Interest rates range from 7.50% to 9.95%. Principal and interest are payable monthly over terms which generally range from 10 to 15 years. Substantially all of the notes payable require balloon payments at the end of the scheduled term.

Maturities of long-term debt are as follows (in thousands):

Year Ending January 31,	Amount
1998	$ 3,131
1999	3,127
2000	3,259
2001	4,143
2002	6,229
2003 and thereafter	34,344
	$54,233

The fair value of the Company's long-term debt at January 31, 1997 and 1996 was approximately $56.1 million and $35.9 million, respectively. The fair value was estimated based on rates available to the Company for debt with similar terms and maturities.

(6) EMPLOYEE BENEFITS-

Stock Option Plans--Effective June 2, 1995, the Company adopted the REX Stores Corporation 1995 Omnibus Stock Incentive Plan (the Omnibus Plan), which amended and restated the 1994 Incentive Stock Option Plan. Under the Omnibus Plan, the Company may grant to officers and key employees awards in the form of incentive stock options, non-qualified stock options, stock appreciation rights, restricted stock, other stock-based awards and cash incentive awards. The Omnibus Plan also provides for yearly grants of non-qualified stock options to directors who are not employees of the Company. The exercise price of each stock based award must be at least 100% of the fair market value of the Company's common stock on the date of grant. A maximum of 2,000,000 shares of common stock are authorized for issuance under the Omnibus Plan and at January 31, 1997, 641,257 shares remained available for issuance. At January 31, 1997, 227,705 stock options also remained outstanding under the 1984 Incentive Stock Option Plan which expired in fiscal 1995.

In November 1989, non-qualified executive stock options were issued to two key executives under a separate plan for 600,000 shares at the then-current market price of $3.38 per share. No additional shares are available for grant under this plan. At January 31, 1997, 512,079 of these options remained outstanding and exercisable.

The Company accounts for its stock-based compensation plans under APB Opinion No. 25, "Accounting for Stock Issued to Employees", under which no compensation cost has been recognized. Had compensation cost for these plans been determined at fair value consistent with SFAS No. 123, "Accounting for Stock-Based Compensation", the Company's net income and earnings per share would have been reduced to the following pro forma amounts:

		1997	1996
Net income (000's):	As reported	$7,362	$14,573
	Pro forma	$5,932	$13,923
Earnings per share:	As reported	$ 0.80	$ 1.56
	Pro forma	$ 0.72	$ 1.54

The fair values of options granted were estimated as of the date of grant using a Black-Scholes option pricing model with the following weighted average assumptions used for grants in fiscal

1997 and 1996: risk-free interest rate of 6.3%, expected volatility of 46.7% and an expected life of 5 years. In accordance with the provisions of SFAS No. 123, the fair value method of accounting was not applied to options granted prior to February 1, 1995 in estimating the pro forma amounts. Therefore, the pro forma effect on net income and earnings per share may not be representative of that to be expected in future years.

The following summarizes stock option activity for the years ended January 31, 1997, 1996 and 1995:

	1997		1996		1995	
	Shares (000's)	Weighted Average Exercise Price	Shares (000's)	Weighted Average Exercise Price	Shares (000's)	Weighted Average Exercise Price
Outstanding at beginning of year	2,069	$11.60	1,422	$ 9.93	1,497	$ 8.78
Granted	202	15.47	768	13.90	100	17.22
Exercised	(81)	5.34	(101)	4.32	(167)	3.94
Canceled or expired	(71)	14.62	(20)	14.07	(8)	10.90
Outstanding at end of year	2,119	$12.15	2,069	$ 11.60	1,422	$ 9.93
Exercisable at end of year	1,143	$10.37	997	$ 8.67	862	$ 6.42
Weighted average fair value of options granted	$8.30		$9.02			

Price ranges and other information for stock options outstanding as of January 31, 1997 were as follows:

	Outstanding			Exercisable	
Range of Exercise Prices	Shares (000's)	Weighted Average Exercise Price	Weighted Average Remaining Life	Shares (000's)	Weighted Average Exercise Price
$3.38	512	$ 3.38	2.8 yrs.	512	$ 3.38
$6.38 to $7.56	98	6.77	0.7 yrs.	86	6.73
$13.00 to $18.98	1,509	15.48	6.6 yrs.	545	17.52
	2,119	$12.15	5.4 yrs.	1,143	$10.37

On February 26, 1997, the Company's Board of Directors approved a re-pricing of 362,035 stock options, with exercise prices ranging from $13.00 to $18.98 per share, to the market price as of the date of approval of $8.13 per share. Stock options held by employees who are members of the Board of Directors and stock options held by Non-Employee Directors were not re-priced.

Profit Sharing Plan--The Company has a qualified, noncontributory profit sharing plan covering full-time employees who meet certain eligibility requirements. The Plan also allows 401(k) savings contributions by participants with certain Company matching contributions. Aggregate contributions to the Plan are determined annually by the Board of Directors and are not to exceed 15% of total compensation paid to all participants during such year. The Company contributed matching amounts of approximately $28,000, $36,000 and $32,000 for the years ended January 31, 1997, 1996 and 1995, respectively, under the Plan.

(7) LEASES AND COMMITMENTS-

The Company is committed under operating leases for certain warehouse and retail store locations. The lease agreements are for varying terms through 2007 and contain renewal options for additional periods. Real estate taxes, insurance and maintenance costs are generally paid by the Company. Contingent rentals based on sales volume are not significant. Certain leases contain scheduled rent increases and rent expense is recognized on a straight-line basis over the term of the leases.

On August 30, 1989, the Company completed a transaction for the sale and leaseback of 75 of its stores and three warehouse facilities under an initial 15-year lease term. This transaction resulted in pre-tax financial statement gain of $15.6 million (net of expenses), which was deferred and is being amortized as a reduction to lease expense over the term of the leases. The unamortized deferred gain at January 31, 1997 was approximately $7.2 million.

The following is a summary of rent expense under these operating leases (in thousands):

Years ended January 31,	Minimum Rentals	Gain Amortization	Sublease Income	Total
1997	$9,076	$(629)	$(1,503)	$6,944
1996	8,383	(405)	(1,475)	6,503
1995	7,767	(367)	(1,198)	6,202

Future minimum annual rentals and gain amortization on non-cancelable leases as of January 31, 1997 are as follows (in thousands):

Years ended January 31,	Minimum Rentals	Gain Amortization
1998	$ 8,490	$ 943
1999	7,997	943
2000	7,367	943
2001	6,806	943
2002	6,006	943
2003 and thereafter	13,661	2,435
	$50,327	$7,150

(8) INCOME TAXES -

The provision for income taxes for the years ended January 31, 1997, 1996 and 1995 consists of the following (in thousands):

	Years Ended January 31, 1997	1996	1995
Federal:			
Current	$5,803	$9,264	$7,969
Deferred	(1,824)	(1,358)	(1,129)
	3,979	7,906	6,840
State and Local:			
Current	1,056	1,846	1,438
Deferred	(230)	(250)	(58)
	826	1,596	1,380
	$4,805	$9,502	$8,220

The tax effects of significant temporary differences representing deferred tax assets and liabilities are as follows:

	January 31, 1997	1996
Assets:		
Deferral of service contract income	$ 9,933	$ 8,806
Sale and leaseback deferred gain	2,502	2,723
Accrued liabilities	957	-
Other items	3,117	2,945
	16,509	14,474
Liabilities:		
Inventory accounting	(1,064)	(1,064)
Depreciation	(1,332)	(1,285)
Other items	(50)	(38)
	(2,446)	(2,387)
Total net future income tax benefits	$14,063	$12,087

The Company paid income taxes of $9,801,000, $10,100,000 and $6,854,000 in the years ended January 31, 1997, 1996 and 1995, respectively.

The effective income tax rate on consolidated pre-tax income differs from the Federal income tax statutory rate as follows:

	Years Ended January 31, 1997	1996	1995
Federal income tax at statutory rate	35.0%	35.0%	35.0%
State and local taxes, net of federal tax benefit	4.1	4.2	4.3
Other	.4	.3	.2
	39.5%	39.5%	39.5%

(9) CONTINGENCIES-

The Company is involved in various legal actions arising in the normal course of business. After taking into consideration legal counsels' evaluation of such actions, management is of the opinion that their outcome will not have a significant effect on the Company's consolidated financial statements.

Report of Independent Public Accountants

To the Shareholders and Board of Directors
of REX Stores Corporation:

We have audited the accompanying consolidated balance sheets of REX Stores Corporation (a Delaware corporation) and subsidiaries as of January 31, 1997 and 1996, and the related consolidated statements of income, shareholders' equity and cash flows for each of the three fiscal years in the period ended January 31, 1997. These consolidated financial statements and the schedule referred to below are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and the schedule based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of REX Stores Corporation and subsidiaries as of January 31, 1997 and 1996, and the results of their operations and their cash flows for each of the three fiscal years in the period ended January 31, 1997, in conformity with generally accepted accounting principles.

Our audits were made for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The schedule listed under Part IV, Item 14(a)(2) is presented for purposes of complying with the Securities and Exchange Commission's rules and is not part of the basic consolidated financial statements. This schedule has been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, fairly states in all material respects the financial data required to be set forth therein in relation to the basic consolidated financial statements taken as a whole.

Cincinnati, Ohio
March 26, 1997 Arthur Andersen LLP

REX STORES CORPORATION AND SUBSIDIARIES
SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS
FOR THE YEARS ENDED JANUARY 31, 1997, 1996 AND 1995

(In Thousands)

		Additions	Deductions	
	Balance Beginning of Year	Charged Cost and Expenses	Charges for Which Reserves Were Created	Balance End of Year
1997				
Allowance for doubtful accounts	$638	$146	$408	$376
	====	====	====	====
1996				
Allowance for doubtful accounts	$784	$287	$433	$638
	====	====	====	====
1995				
Allowance for doubtful accounts	$643	$475	$334	$784
	====	====	====	====

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure

None.

PART III

Item 10. Directors and Executive Offices of the Registrant

The information required by this Item 10 is incorporated herein by reference to the Company's Proxy Statement for its Annual Meeting of Shareholders on June 6, 1997, except for certain information concerning the executive officers of the Company which is set forth in Part I of this report.

Item 11. Executive Compensation

The information required by this Item 11 is set forth in the Company's Proxy Statement for its Annual Meeting of Shareholders on June 6, 1997 and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information required by this Item 12 is set forth in the Company's Proxy Statement for its Annual Meeting of Shareholders on June 6, 1997 and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

The information required by this Item 13 is set forth in the Company's Proxy Statement for its Annual Meeting of Shareholders on June 6, 1997 and is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules, and Reports on Form 8-K

(a)(1) Financial Statements.

The following consolidated financial statements of the Company and its subsidiaries are incorporated by reference as part of this report at Item 8 hereof.

Consolidated Balance Sheets as of January 31, 1997 and 1996

Consolidated Statements of Income for the years ended January 31, 1997, 1996 and 1995

Consolidated Statements of Cash Flows for the years ended January 31, 1997, 1996 and 1995

Consolidated Statements of Shareholders' Equity for the years ended January 31, 1997, 1996 and 1995

Notes to Consolidated Financial Statements

Report of Independent Public Accountants

(a)(2) Financial Statement Schedules.

The following financial statement schedule is incorporated by reference as part of this report at Item 8 hereof.

Schedule II - Valuation and Qualifying Accounts

All other schedules are omitted because they are not applicable or not required, or because the required information is included in the consolidated financial statements or notes thereto.

(a)(3) Exhibits.

See Exhibit Index at page 41 of this report.

Management Contracts and Compensatory Plans and Arrangements

Employment Agreement dated September 1, 1995 between Rex Radio and Television, Inc. and Stuart Rose -- Form 10-Q for quarter ended October 31, 1995, exhibit 10(a).

Employment Agreement dated September 1, 1995 between Rex Radio and Television, Inc. and Lawrence Tomchin -- Form 10-Q for quarter ended October 31, 1995, exhibit 10(b).

Executive Stock Option dated September 22, 1993 to Stuart Rose -- Form 10-Q for quarter ended October 31, 1993, exhibit 10(a).

Executive Stock Option dated September 22, 1993 to Lawrence Tomchin -- Form 10-Q for quarter ended October 31, 1993, exhibit 10(b).

Executive Stock Option dated November 20, 1989 to Stuart Rose -- Form 10-Q for quarter ended October 31, 1989, exhibit 6.3.

Executive Stock Option dated November 20, 1989 to Lawrence Tomchin -- Form 10-Q for quarter ended October 31, 1989, exhibit 6.4.

Subscription Agreement dated December 1, 1989 from Stuart Rose -- Form 10-Q for quarter ended October 31, 1989, exhibit 6.5.

Subscription Agreement dated December 1, 1989 from Lawrence Tomchin -- Form 10-Q for quarter ended October 31, 1989, exhibit 6.6.

1984 Incentive Stock Option Plan -- Form 10-K for fiscal year ended January 31, 1992, exhibit 10(a).

1995 Omnibus Stock Incentive Plan -- Post-effective amendment No. 1 to Form S-8 registration statement (No. 33-81706), exhibit 4(c).

(b) Reports on Form 8-K.

No reports on Form 8-K were filed by the Company during the quarter ended January 31, 1997.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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

STUART ROSE

Stuart Rose
Chairman of the Board and
Chief Executive Officer

Date: April 16, 1997

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
STUART ROSE Stuart Rose	Chairman of the Board and Chief Executive Officer (principal executive officer)	April 16, 1997
DOUGLAS BRUGGEMAN Douglas Bruggeman	Vice President-Finance and Treasurer (principal financial and accounting officer)	April 16, 1997
LAWRENCE TOMCHIN* Lawrence Tomchin	Director	April 16, 1997
EDWARD KRESS Edward Kress	Director	April 16, 1997
ROBERT DAVIDOFF* Robert Davidoff	Director	April 16, 1997
TIBOR FABIAN* Tibor Fabian	Director	April 16, 1997
LEE FISHER* Lee Fisher	Director	April 16, 1997

*By STUART ROSE
(Stuart Rose, Attorney-in-Fact)

EXHIBIT INDEX

Page

(3) Articles of incorporation and by-laws:

3(a) Certificate of Incorporation, as amended (incorporated by reference to Exhibit 3(a) to Form 10-K for fiscal year ended January 31, 1994, File No. 0-13283)

3(b)(1) By-Laws, as amended (incorporated by reference to Registration Statement No. 2-95738, Exhibit 3(b), filed February 8, 1985)

3(b)(2) Amendment to By-Laws adopted June 29, 1987 (incorporated by reference to Exhibit 4.5 to Form 10-Q for quarter ended July 31, 1987, File No. 0-13283)

(4) Instruments defining the rights of security holders, including indentures:

4(a) Amended and Restated Loan Agreement dated July 31, 1995 among Rex Radio and Television, Inc., Kelly & Cohen Appliances, Inc., Stereo Town, Inc. and Rex Kansas, Inc. (the "Borrowers"), the lenders named therein, and NatWest Bank N.A. as agent (incorporated by reference to Exhibit 4(a) to Form 10-Q for quarter ended July 31, 1995, File No. 0-13283)

4(b) Form of Amended and Restated Revolving Credit Note (incorporated by reference to Exhibit 4(b) to Form 10-Q for quarter ended July 31, 1995, File No. 0-13283)

4(c) Guaranty of registrant dated July 31, 1995 (incorporated by reference to Exhibit 4(c) to Form 10-Q for quarter ended July 31, 1995, File No. 0-13283)

4(d) Borrowers Pledge Agreement as amended and restated through July 31, 1995 (incorporated by reference to Exhibit 4(d) to Form 10-Q for quarter ended July 31, 1995, File No. 0-13283)

4(e) Borrowers General Security Agreement as amended and restated through July 31, 1995 (incorporated by reference to Exhibit 4(e) to Form 10-Q for quarter ended July 31, 1995, File No. 0-13283)

4(f) Parent Pledge Agreement as amended and restated through July 31, 1995 (incorporated by reference to Exhibit 4(f) to Form 10-Q for quarter ended July 31, 1995, File No. 0-13283)

4(g) Parent General Security Agreement as amended and restated through July 31, 1995 (incorporated by reference to Exhibit 4(g) to Form 10-Q for quarter ended July 31, 1995, File No. 0-13283)

Pursuant to Item 601(b)(4)(iii)(A) of Regulation S-K, the registrant has not filed as an exhibit to this Form 10-K certain instruments with respect to long-term debt where the total amount of securities authorized thereunder does not exceed 10% of the total assets of the registrant and its subsidiaries on a consolidated basis. The registrant agrees to furnish a copy of such instruments to the Commission upon request.

(10) Material contracts:

10(a) Employment Agreement dated September 1, 1995 between Rex Radio and Television, Inc. and Stuart Rose (incorporated by reference to Exhibit 10(a) to Form 10-Q for quarter ended October 31, 1995, File No. 0-13283)

10(b) Employment Agreement dated September 1, 1995 between Rex Radio and Television, Inc. and Lawrence Tomchin (incorporated by reference to Exhibit 10(b) to Form 10-Q for quarter ended October 31, 1995, File No. 0-13283)

10(c) Executive Stock Option dated September 22, 1993 granting Stuart Rose an option to purchase 300,000 shares of registrant's Common Stock (incorporated by reference to Exhibit 10(a) to Form 10-Q for quarter ended October 31, 1993, File No. 0-13283)

10(d) Executive Stock Option dated September 22, 1993 granting Lawrence Tomchin an option to purchase 150,000 shares of registrant's Common Stock (incorporated by reference to Exhibit 10(b) to Form 10-Q for quarter ended October 31, 1993, File No. 0-13283)

10(e) Executive Stock Option dated November 20, 1989 granting Stuart Rose an option to purchase 300,000 shares of registrant's Common Stock (incorporated by reference to Exhibit 6.3 to Form 10-Q for quarter ended October 31, 1989, File No. 0-13283)

10(f) Executive Stock Option dated November 20, 1989 granting Lawrence Tomchin an option to purchase 300,000 shares of registrant's Common Stock (incorporated by reference to Exhibit 6.4 to Form 10-Q for quarter ended October 31, 1989, File No. 0-13283)

10(g) Subscription Agreement dated December 1, 1989 from Stuart Rose to purchase 300,000 shares of registrant's Common Stock (incorporated by reference to Exhibit 6.5 to Form 10-Q for quarter ended October 31, 1989, File No. 0-13283)

10(h) Subscription Agreement dated December 1, 1989 from Lawrence Tomchin to purchase 140,308 shares of registrant's Common Stock (incorporated by reference to Exhibit 6.6 to Form 10-Q for quarter ended October 31, 1989, File No. 0-13283)

10(i) 1984 Incentive Stock Option Plan, as amended effective February 6, 1992 (incorporated by reference to Exhibit 10(a) to Form 10-K for fiscal year ended January 31, 1992, File No. 0-13283)

10(j) 1995 Omnibus Stock Incentive Plan, as amended and restated effective June 2, 1995 (incorporated by reference to Exhibit 4(c) to Post-Effective Amendment No. 1 to Form S-8 Registration Statement No. 33-81706)

10(k) Real Estate Purchase and Sale Agreement (the "Agreement") dated March 8, 1989 between registrant as Guarantor, four of its subsidiaries (Rex Radio and Television, Inc., Stereo Town, Inc., Kelly & Cohen Appliances, Inc., and Rex Radio Warehouse Corporation) as Sellers and Holman/Shidler Investment Corporation as Buyer (incorporated by reference to Exhibit (b)(5)(1) to Amendment No. 1 to Schedule 13E-4 filed March 15, 1989, File No. 5-35828)

The Table of Contents to the Agreement lists Exhibits A through P to the Agreement. Each of the following listed Exhibits to the Agreement is incorporated herein by reference as indicated below. The registrant will, upon request of the Commission, provide any of the additional Exhibits to the Agreement.

10(l) Form of Full Term Lease (incorporated by reference to Exhibit (b)(5)(2) to Amendment No. 1 to Schedule 13E-4 filed March 15, 1989, File No. 5-35828)

10(m) Form of Divisible Lease (incorporated by reference to Exhibit (b)(5)(3) to Amendment No. 1 to Schedule 13E-4 filed March 15, 1989, File No. 5-35828)

10(n) Form of Terminable Lease (incorporated by reference to Exhibit (b)(5)(4) to Amendment No. 1 to Schedule 13E-4 filed March 15, 1989, File No. 5-35828)

10(o) Continuing Lease Guaranty (incorporated by reference to Exhibit (b)(5)(5) to Amendment No. 1 to Schedule 13E-4 filed March 15, 1989, File No. 5-35828)

10(p) Agreement Regarding Leases and Amending Amended and Restated Real Property Purchase and Sale Agreement dated May 17, 1990 among Shidler/West Finance Partners I (Limited Partnership); Rex Radio and Television, Inc., Stereo Town, Inc., Kelly & Cohen Appliances, Inc. and Rex Radio Warehouse Corporation; and registrant (incorporated by reference to Exhibit (a)(10) to Form 10-Q for quarter ended April 30, 1990, File No. 0-13283)

10(q) Lease dated December 12, 1994 between Stuart Rose/Beavercreek, Inc. and Rex Radio and Television, Inc. (incorporated by reference to Exhibit 10(q) to Form 10-K for fiscal year ended January 31, 1995, File No. 0-13283)

(21) Subsidiaries of the registrant:

21(a) Subsidiaries of registrant 45

(23) Consents of experts and counsel:

23(a) Consent of Arthur Andersen LLP to use its report dated March 26, 1997 included in this annual report on Form 10-K into registrant's Registration Statements on Form S-8 (Registration Nos. 33-3836, 33-81706 and 33-62645) 46

(24) Power of attorney:

Powers of attorney of each person who signed this report on Form 10-K on behalf of another pursuant to a power of attorney 47-50

(27) Financial data schedule:

Financial data schedule 51

EXHIBIT 21(a)

SUBSIDIARIES OF REX STORES CORPORATION

Name	State of Incorporation
Rex Radio and Television, Inc.	Ohio
Stereo Town, Inc.	Georgia
Kelly & Cohen Appliances, Inc.	Ohio
Rex Kansas, Inc.(1)	Kansas
AVA Acquisition Corp.(2)	Delaware
A.V. Compadres, Inc.(2)	Ohio

____

(1) Wholly-owned subsidiary of Rex Radio and Television, Inc.

(2) Non-operating subsidiary

EXHIBIT 23(a)

CONSENT OF INDEPENDENT PUBLIC ACCOUNTANTS

As independent public accountants, we hereby consent to the incorporation of our report included in this Form 10-K into the Company's previously filed Registration Statements on Form S-8 (No. 33-3836, No. 33-81706 and No. 33-62645).

Cincinnati, Ohio,
April 16, 1997

Arthur Andersen LLP

Exhibit 24.1

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, in his capacity as a director and/or officer of REX Stores Corporation, a Delaware corporation (the "Company"), hereby constitutes and appoints Stuart A. Rose and Edward M. Kress, and each or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1997 and to sign any and all amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorneys-in-fact and agents, and any one of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that such attorneys-in-fact and agents or any one of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of April 14, 1997.

LAWRENCE TOMCHIN

Lawrence Tomchin

Exhibit 24.2

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, in his capacity as a director and/or officer of REX Stores Corporation, a Delaware corporation (the "Company"), hereby constitutes and appoints Stuart A. Rose, Lawrence Tomchin and Edward M. Kress, and each or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1997 and to sign any and all amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorneys-in-fact and agents, and any one of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that such attorneys-in-fact and agents or any one of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of April 14, 1997.

ROBERT DAVIDOFF

Robert Davidoff

Exhibit 24.3

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, in his capacity as a director and/or officer of REX Stores Corporation, a Delaware corporation (the "Company"), hereby constitutes and appoints Stuart A. Rose, Lawrence Tomchin and Edward M. Kress, and each or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1997 and to sign any and all amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorneys-in-fact and agents, and any one of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that such attorneys-in-fact and agents or any one of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of April 14, 1997.

TIBOR FABIAN

Tibor Fabian

Exhibit 24.4

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned, in his capacity as a director and/or officer of REX Stores Corporation, a Delaware corporation (the "Company"), hereby constitutes and appoints Stuart A. Rose, Lawrence Tomchin and Edward M. Kress, and each or any one of them, his true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 1997 and to sign any and all amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto such attorneys-in-fact and agents, and any one of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that such attorneys-in-fact and agents or any one of them, or their or his substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned has executed this instrument as of April 14, 1997.

LEE FISHER

Lee Fisher

5
0000744187
REX STORES CORPORATION
1,000
U.S. DOLLARS

YEAR
JAN-31-1997
FEB-1-1996
JAN-31-1997
1
3,959
1,645
1,853
376
135,033
149,877
101,215
11,577
248,034
69,726
51,102
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248,034
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427,378
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317,767
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.80
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