

REX STORES CORP  
Form 10-Q  
June 03, 2010

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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

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**FORM 10-Q**

(Mark One)

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

For the quarterly period ended April 30, 2010

OR

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

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 001-09097

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**REX STORES CORPORATION**

(Exact name of registrant as specified in its charter)

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Delaware  
(State or other jurisdiction of  
incorporation or organization)

31-1095548  
(I.R.S. Employer  
Identification Number)

2875 Needmore Road, Dayton, Ohio  
(Address of principal executive offices)

45414  
(Zip Code)

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

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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  No

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Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer  (Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

At the close of business on June 2, 2010 the registrant had 9,856,092 shares of Common Stock, par value \$.01 per share, outstanding.

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REX STORES CORPORATION AND SUBSIDIARIES

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## PART I. FINANCIAL INFORMATION

## Item 1. Financial Statements

## REX STORES CORPORATION AND SUBSIDIARIES

## Consolidated Condensed Balance Sheets

## Unaudited

	April 30, 2010	January 31, 2010
	<u>          </u>	<u>          </u>
	(In Thousands)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 101,420	\$ 100,398
Accounts receivable, net	7,460	9,123
Inventory, net	7,430	8,698
Refundable income taxes	6,240	12,813
Prepaid expenses and other	2,751	2,691
Deferred taxes, net	5,138	6,375
	<u>          </u>	<u>          </u>
Total current assets	130,439	140,098
Property and equipment, net	242,345	246,874
Other assets	9,517	8,880
Deferred taxes, net	8,480	8,468
Equity method investments	46,081	44,071
Investments in debt instruments	514	1,014
Restricted investments and deposits	2,100	2,100
	<u>          </u>	<u>          </u>
Total assets	<u>\$ 439,476</u>	<u>\$ 451,505</u>
Liabilities and equity:		
Current liabilities:		
Current portion of long-term debt and capital lease obligations, alternative energy	\$ 13,397	\$ 12,935
Current portion of long-term debt, other	323	371
Accounts payable, trade	5,642	6,976
Deferred income	6,772	7,818
Accrued restructuring charges	502	511
Accrued real estate taxes	1,815	2,968
Derivative financial instruments	1,749	1,829
Other current liabilities	5,324	5,442
	<u>          </u>	<u>          </u>
Total current liabilities	35,524	38,850
	<u>          </u>	<u>          </u>
Long-term liabilities:		
Long-term debt and capital lease obligations, alternative energy	110,716	124,093
Long-term debt, other	2,182	2,596
Deferred income	5,122	6,396
Derivative financial instruments	3,946	4,055
Other	575	419
	<u>          </u>	<u>          </u>
Total long-term liabilities	122,541	137,559
	<u>          </u>	<u>          </u>
Equity:		
REX shareholders' equity:		
Common stock	299	299
Paid-in capital	142,120	141,698

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Retained earnings	295,172	290,984
Treasury stock	(186,097)	(186,407)
Accumulated other comprehensive income, net of tax	27	49
	<u>          </u>	<u>          </u>
Total REX shareholders' equity	251,521	246,623
Noncontrolling interests	29,890	28,473
	<u>          </u>	<u>          </u>
Total equity	281,411	275,096
	<u>          </u>	<u>          </u>
Total liabilities and equity	\$ 439,476	\$ 451,505
	<u>          </u>	<u>          </u>

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

**REX STORES CORPORATION AND SUBSIDIARIES**  
**Consolidated Condensed Statements Of Operations**  
**Unaudited**

	Three Months Ended April 30,	
	2010	2009
	(In Thousands, Except Per Share Amounts)	
Net sales and revenue	\$ 71,291	\$ 14,248
Cost of sales	63,194	13,923
Gross profit	8,097	325
Selling, general and administrative expenses	(2,093)	(1,194)
Interest income	115	230
Interest expense	(1,367)	(878)
Loss on early termination of debt		(61)
Equity in income (loss) of unconsolidated ethanol affiliates	2,847	(260)
Losses on derivative financial instruments, net	(167)	(556)
Income (loss) from continuing operations before income taxes and noncontrolling interests	7,432	(2,394)
(Provision) benefit for income taxes	(2,484)	715
Income (loss) from continuing operations including noncontrolling interests	4,948	(1,679)
Income (loss) from discontinued operations, net of tax	657	(545)
Loss on disposal of discontinued operations, net of tax		(129)
Net income (loss) including noncontrolling interests	5,605	(2,353)
Net (income) loss attributable to noncontrolling interests	(1,417)	622
Net income (loss) attributable to REX common shareholders	\$ 4,188	\$ (1,731)
Weighted average shares outstanding - basic	9,840	9,298
Basic income (loss) per share from continuing operations attributable to REX common shareholders	\$ 0.36	\$ (0.11)
Basic income (loss) per share from discontinued operations attributable to REX common shareholders	0.07	(0.06)
Basic loss per share from disposal of discontinued operations attributable to REX common shareholders		(0.02)
Basic net income (loss) per share attributable to REX common shareholders	\$ 0.43	\$ (0.19)
Weighted average shares outstanding diluted	10,045	9,298
Diluted income (loss) per share from continuing operations attributable to REX common shareholders	\$ 0.35	\$ (0.11)
Diluted income (loss) per share from discontinued operations attributable to REX common shareholders	0.07	(0.06)
Diluted loss per share from disposal of discontinued operations attributable to REX common shareholders		(0.02)
Diluted net income (loss) per share attributable to REX common shareholders	\$ 0.42	\$ (0.19)
Amounts attributable to REX common shareholders:		
Income (loss) from continuing operations, net of tax	\$ 3,531	\$ (1,057)

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Income (loss) from discontinued operations, net of tax	<u>657</u>	<u>(674)</u>
Net income (loss)	<u>\$ 4,188</u>	<u>\$ (1,731)</u>

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

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**REX STORES CORPORATION AND SUBSIDIARIES**

**Consolidated Condensed Statements Of Equity**

**Unaudited**

(In Thousands)

REX Shareholders

	Common Shares Issued		Treasury		Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Noncontrolling Interest	Total Equity
	Shares	Amount	Shares	Amount					
Balance at January 31, 2010	29,853	\$ 299	20,045	\$ (186,407)	\$ 141,698	\$ 290,984	\$ 49	\$ 28,473	\$ 275,096
Net income						4,188		1,417	5,605
Treasury stock acquired			2	(30)					(30)
Unrealized holding losses, net of tax							(22)		(22)
Stock options and related tax effects			(36)	340	422				762
Balance at April 30, 2010									